



Daily Report

LAST ISSUE

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LAST ISSUE

China

FBIS-CHI-96-130

Friday

5 July 1996

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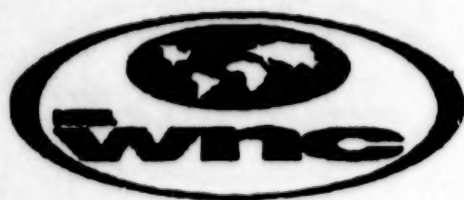
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Daily Report

China

FBIS-CHI-96-130

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General

PRC: Spokesman on Direct, High-Level Contacts With U.S.

OW0407144896 Beijing ZHONGGUO XINWEN SHE
in Chinese 1355 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (ZXS) — This afternoon, in answering a question regarding the possibility of U.S. President Clinton visiting China, Chinese Foreign Ministry spokesman Cui Tiankai said: Regarding high-level contacts between China and the United States, China has always maintained that direct, high-level contacts between China and the United States will help enhance mutual understanding and are conducive to the steady development [wen bu fa zhan 4489 2975 4099 1455] of Sino-U.S. relations.

At the Foreign Ministry's regular news conference, a reporter asked Cui Tiankai the aforementioned question within the context of the visit to China by Anthony Lake, national security adviser to the U.S. President.

The spokesman confirmed that Lake will visit China from 6 to 11 July at the Chinese Foreign Ministry's invitation. He said: During the visit, President Jiang Zemin, Premier Li Peng, and Qian Qichen, vice premier and foreign minister, will meet with Lake. Liu Huaqiu, State Council Foreign Affairs Office director, will hold talks with Lake. The two sides will exchange views on Sino-U.S. relations and international issues of common interest.

Another reporter asked Cui Tiankai: The U.S. Government is considering changing its policy regarding the countries of origin for textile products. If the policy is changed, it may affect China's economic interests. What comment does China have on this?

To this question, Cui Tiankai merely provided a two-sentence answer: We hope the U.S. side will do more things that are conducive to the development of economic relations and trade between China and the United States. We oppose trade protectionism of every description.

PRC: Spokesman: Beijing 'Respects' Outcome of Russian Election

OW0407090296 Hong Kong AFP in English
0845 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (AFP) — China said Thursday that it respected the outcome of Russia's presidential poll, but declined to directly comment on President Boris Yeltsin's victory before final results were in.

"China respects the choice of the Russian people and we believe the Sino-Russian strategic partnership oriented

towards the 21st century on the basis of equality and mutual trust will be further advanced," said foreign ministry spokesman Cui Tiankai.

However, he refused to comment on Yeltsin's victory because the results were not final.

With 92 percent of the votes counted from the run-off election Wednesday, Yeltsin held an unassailable 13-point lead over Communist challenger Gennadiy Zyuganov. Sino-Russian relations have warmed considerably since the rapprochement launched in 1989 by the visit of former president Mikhail Gorbachev, with China seeing Russia as an ally to counter what it feels is Washington's excessive influence on the world stage.

Yeltsin's visit to China in April marked another milestone in the relationship and included the signing of a security treaty covering the two countries' western border as well as pledges of new military and economic cooperation. China is increasingly dependent on Russia for the upgrading of its armed forces and has stepped away from using ideology as the pivot of the relationship.

PRC: Spokesman on Russian Elections, Radioactive Waste

OW0407151796 Beijing ZHONGGUO XINWEN SHE
in Chinese 1440 GMT 4 Jul 96

[FBIS Translated Excerpt] Beijing, 4 Jul (ZXS) — Chinese Foreign Ministry spokesman Cui Tiankai said this afternoon: Naturally, China has always shown concern about the progress in Russia's presidential elections. China is glad to notice that the second round of presidential elections were held normally on 3 July. China respects the Russian people's choice and believes that the Sino-Russian strategic partnership based on equality and trust and oriented toward the 21st century will be expanded.

Cui Tiankai made the aforementioned remarks while answering a reporter's question at the ministry's news conference.

In response to a question on the discovery of radioactive waste in Tianjin port, Cui Tiankai reiterated: China has always opposed the transfer of harmful and toxic waste and materials to China by any other country. He said: This stand is firm. Relevant Chinese departments will handle the incident that took place in Tianjin port in an earnest and serious manner [ren zhen yan su 6126 4176 0917 5126] in accordance with the law. [passage covered in ref 2 item omitted]

PRC: Ministry Spokesman Comments On Yeltsin's Re-election*OW0507081596 Beijing XINHUA in English
0807 GMT 5 Jul 96*

[FBIS Transcribed Text] Beijing, July 5 (XINHUA) — Russian President Boris Yeltsin's re-election would help further develop the equality, trust and the 21st century-oriented strategic partnership between China and Russia, Chinese Foreign Ministry spokesman Cui Tiankai said here today.

When asked about China's comments on Yeltsin's re-election and what impact his re-election would exert on the Sino-Russian relations, Cui said: "We are very glad to learn that Mr. Yeltsin has been re-elected as President of the Russian Federation." Chinese President Jiang Zemin and Premier Li Peng have sent messages congratulating him on his re-election, Cui said.

"We believe that the equality, trust and the 21st century-oriented strategic partnership between China and Russia would further develop," Cui said.

PRC: Spokesman on Lake's Visit, Yeltsin, Textiles, Other Topics*OW0507103796 Beijing China Radio International
in English
to Western North America 0400 GMT 5 Jul 96*

[From the "News and Current Events" program]

[FBIS Transcribed Text] The Chinese Foreign Ministry says high-level contacts between Beijing and Washington help bilateral relations. China also believes the strategic partnership between China and Russia will continue to advance in the wake of the Russian election.

Ministry spokesman Cui Tiankai made the remarks at its Thursday [4 July] news conference. Li Peichuan reports:

[Beginning recording] [Li] Special Assistant to the U.S. President on national security Anthony Lake will start his tour to Beijing on Saturday at the invitation of the Chinese Foreign Ministry. He will meet top Chinese leaders, including President Jiang Zemin, Premier Li Peng, and Foreign Minister Qian Qichen. Reports say that the two sides will discuss the possibility of President Clinton's coming to Beijing. Spokesman Cui Tiankai neither denied nor confirmed this report.

[Cui, in Chinese] The recent direct high-level contacts between China and the United States are conducive to deepening mutual understanding and steady development of Sino-U.S. relations.

[Li] Cui Tiankai said direct high-level contacts between China and the United States help the two governments

to understand each other better and facilitate the development of bilateral relationship. Asked about the possibility of new U.S. regulations on the point of origin of some of its textile imports, which may affect China's textile exports, spokesman Cui Tiankai said that the American Government should do more to boost bilateral economic and trade links. He added that China is opposed to trade protectionism.

Commenting on Russia's election in which Boris Yeltsin appears to have overtaken his opponent, the spokesman said China respects the choice of the Russian people. He said China believes that the two countries can further advance their strategic partnership on the basis of equality and mutual trust as we move toward the 21st century.

On Wednesday, Amnesty International issued a report criticizing the Chinese Government for using the death sentence in cases in which the crime does not involve physical violence, spokesman Cui Tiankai said the strike hard campaign is to crack down on serious criminals, including drug traffickers.

[Cui, in Chinese] China's judicial departments do their work entirely in accordance with the law, and they adjudicate cases independently. Any foreign group...

[Li] The spokesman said China's judicial organs handle the cases independently according to Chinese law. No foreign group or individual is entitled to make such irresponsible remarks.

Finally, the spokesman reiterated China's position that Taiwan is part of China. South African Foreign Minister Nzo recently visited Taipei. He indicated his government's intention not to sever its so-called official ties with Taiwan while at the same time hoping to set up diplomatic ties with Beijing. The spokesman said if South Africa needs time, China can wait, but it does not now and will never accept dual recognition.

For China Radio International, I am Li Peichuan. [end recording]

PRC: AFP: Spokesman Reiterates Criticism of Hong Kong Travelers*OW0407115796 Hong Kong AFP in English
1149 GMT 4 Jul 96*

[FBIS Transcribed Text] Beijing, July 4 (AFP) — China on Thursday repeated its criticism of a group of Hong Kong politicians barred from taking a protest to Beijing, saying their activity "violates and runs against the common aspiration of all the Chinese people."

The eight politicians, carrying a 60,000-signature petition protesting against China's decision to scrap Hong

Kong's Legislative Council, were detained for several hours at Beijing airport Monday before being flown back to Hong Kong.

Their travel documents were confiscated and journalists travelling with them or waiting at the airport were detained for several hours on the pretext of reporting without permission.

Monday, July 1 marked exactly one year before Hong Kong returns to Chinese rule, and China held several commemorative celebration to mark the event.

"Chinese people including the six million Hong Kong compatriots held various activities (on that day) ... [ellipses as received] However there are some people who want to create some troubles. In English they want to put up a show," said foreign ministry spokesman Cui Tiankai.

"This activity is what generally violates and runs against the common aspiration of all the Chinese people including the six million Hong Kong compatriots," he added.

The politicians had planned to hand their petition to China's parliament and the Hong Kong and Macao Affairs Office, a powerful bureau under the State Council.

China has said it will abolish the elected Hong Kong Legislative Council and replace it with a hand picked Provisional Legislature.

PRC: Spokesman on Comments on 'Hard Hit' Campaign

OW0507003996 Beijing ZHONGGUO XINWEN SHE in Chinese 1412 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (ZXS) — Chinese Foreign Ministry spokesman Cui Tiankai said this afternoon that China's "hard hit" campaign is aimed at cracking down on serious crimes, including narcotic drugs trafficking. China's judicial departments act in total accordance with the law and exercise independence in trying cases. "Foreign organizations or individuals have no rights to make irresponsible remarks about the campaign."

At the Foreign Ministry's weekly readers' [as received] reception, a reporter noted: Amnesty International believes that China's crime crackdown campaign is a bit excessive. How does China view this issue? Cui Tiankai made the above remarks in response to this question.

PRC: Spokesman Reiterates Basic Law as Basis of All Legislation

OW0507020396 Beijing ZHONGGUO XINWEN SHE in Chinese 1355 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (ZXS) — In answering a question by a reporter this afternoon, Chinese Foreign Ministry spokesman Cui Tiankai said: After 1 July 1997, the most basic law in Hong Kong is the Basic Law of the Hong Kong Special Administrative Region [SAR]. All other laws should be based on that.

In answering a question at the ministry's regular press conference, he reaffirmed that China's criticism of Hong Kong Governor Patten's Constitutional Reform Package is correct.

Today, a Hong Kong reporter asked: Hong Kong Governor Patten recently admitted that he had not read the seven letters exchanged between the two foreign ministers of the two countries of China and Britain before he introduced the Constitutional Reform Package. Does the Chinese Government believe that by saying so, Patten is trying to shirk responsibility for introducing the Constitutional Reform Package?

Cui Tiankai answered in response: This shows that our consistent criticism that he has violated the Basic Law, the Sino-British joint declaration, and the agreements and understanding reached between China and Britain has been correct.

In response to a question by a Hong Kong reporter in connection with a few members of the "United Front Against Provisional Legislature" who were barred from entering China a few days ago, Cui Tiankai said that 1 July this year marked exactly one year before China resumes the exercise of sovereignty over Hong Kong. It means that Hong Kong will return to the motherland in a year's time. This is a great event the Chinese people at home and abroad have been looking forward to for a long time. Therefore, Chinese people, including the six million Hong Kong compatriots, held various celebration activities on that day. However, there was a small number of people who attempted to create disturbances [shi duan 0057 4551]. They put up a show. This conduct really runs counter to the aspiration of all the Chinese people, including the six million Hong Kong compatriots.

PRC: AFP: Spokesman Rejects Condemnation of Executions

OW0407083996 Hong Kong AFP in English 0831 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (AFP) — China on Thursday firmly rejected Amnesty International's

condemnation of a wave of executions and warned foreign organizations against "irresponsible" interference in its judicial affairs.

The London-based human rights watchdog on Wednesday [3 July] demanded an immediate end to what it described as China's "hysterical" and "shocking" anti-crime campaign that has resulted in at least 1,000 executions in the past two months.

"The crime crackdown campaign conducted by the Chinese government is to fight against serious criminals, such as drug traffickers," Chinese foreign ministry spokesman Cui Tiankai said.

"The Chinese judicial organs handle the cases independently according to law, and no foreign group or individual has any right to make irresponsible remarks in this regard," Cui said.

Earlier this week, China had hailed its "Strike Hard" campaign as yielding "better than expected" results and pointing the way to similar operations in the future.

"Strike Hard" — officially launched on April 28 and expected to last until the end of July — has resulted in tens of thousands of convictions for drugs trafficking, corruption and theft.

While at least a thousand people have been executed, thousands more have been handed life terms or lengthy jail sentences.

"The number of executions is shocking and will only serve to fuel a climate of violence and vengeance," the Amnesty statement said.

"Intensive and at times hysterical propaganda" fuels "state killing on a massive scale," it added.

PRC: Beijing Ambassador on Follow-up of Major UN Conferences

*OW0407011596 Beijing XINHUA in English
2218 GMT 3 Jul 96*

[FBIS Transcribed Text] United Nations, July 3 (XINHUA) — Ambassador Wang Xuexian, the acting permanent representative of China to the world organization, said today that the consensus gained at the major UN conferences on environment, population, poverty and women is but a new starting point for international cooperation and that it is even more important to turn the consensus views into concrete action.

"Without effective follow-up actions, the conferences already convened and the document adopted will inevitably lose their significance," he said.

He made the remarks at an annual 5-week substantive session of the UN Economic and Social Council.

With regards to how to carry follow-up actions, Ambassador Wang said that the very essence of the consensus reached at the conferences is that economic growth in all countries, particularly the developing countries, should be promoted, while at the same time attach importance to social development and environment protection, so as to pursue development in a coordinated manner.

"This should constitute a basic principle guiding follow-up activities," he stressed.

He called for attention on the issues of financial resources, technology transfer and the international economic environment.

"They are only the means for achieving the objective of strengthening the role of the United Nations in the relevant fields, and for providing improved services for substantive follow-up action," he said, referring to institutional issues and relevant reform measures.

"If we devote our attentions only to institutional issues and neglect the substantive issues such as financial resources, technology transfer, improving the international economic environment, etc, follow-up actions can hardly get off the ground," he warned.

PRC: Interparliamentary Union To Meet in Beijing 16-21 Sep

*OW0307101796 Beijing XINHUA in English
0821 GMT 3 Jul 96*

[FBIS Transcribed Text] Beijing, July 3 (XINHUA) — The 96th convention of the Interparliamentary Union [IU] will be held in Beijing in September 16-21.

The preparatory work for the September convention is going smoothly, according to Chinese officials.

Some 1,500 people, including more than 500 congressmen and senators, will attend the meeting, Cao Zhi, Secretary-General of the Standing Committee of the National People's Congress told the 20th meeting of the NPC Standing Committee here today.

IU officials in charge of the meeting affairs inspected China's preparatory work over the past year, and expressed satisfaction, according to Cao.

The main topics of the meeting will include discussions about the world political, economic and social situations; promotion of respect for and protection of human rights, especially for women and children; the mapping out of efficient policies and strategies to ensure that every person has access to food.

Cao said China has many advantages in hosting the meeting, including a stable political environment, national unification, successful diplomatic work and harmonious relationships between NPC and IU.

He said that NPC will make good preparations to ensure the smooth running of the meeting. Meanwhile the event will help strengthen the understanding, friendship and cooperation between China's NPC and legislatures of other countries.

China's NPC joined the Geneva-based IU in 1984, which has now 133 member nations.

PRC: AFP: Spokesman Rejects Dual Recognition for South Africa

OW0407091196 Hong Kong AFP in English
0908 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (AFP) — China refused to budge Thursday on its preconditions for diplomatic relations with South Africa, and again warned Pretoria it must first sever ties with Taiwan.

"China does not, and will not, accept dual recognition," said foreign ministry spokesman Cui Tiankai.

"The government of the People's Republic of China is the sole legitimate government representing the whole of China, and Taiwan is an inalienable part of China," he reiterated.

South African President Nelson Mandela said Tuesday [2 July] that existing diplomatic relations with Taiwan would continue despite heavy courting and threats from arch-rival China.

Taiwan reacted with enthusiasm, but Cui shrugged off the affirmation of ties, adding: "If South Africa needs some time, we can wait."

South Africa is the largest of the 31 countries that continue to recognize Taiwan over China, and Beijing has promised investment of up to 50 million dollars if it switches.

It has also made implied threats that it will prohibit South Africa from continuing its trade operations in Hong Kong after the British colony reverts to Chinese rule on July 1, 1997.

Both Mandela and his Foreign Minister Alfred Nzo — who was in Taipei on a fact finding mission earlier this week — want to have relations with both Taiwan and China.

Mandela also urged China and Taiwan to resolve their own problems — which were created when the defeated Nationalists fled to Taiwan in 1949 at the end of a bloody civil war with the Communists, and have recently resulted in high tensions across the Taiwan Strait.

"Resolve your problems. Don't expect us to," Mandela said.

According to Taiwanese figures, Taiwan's trade with South Africa was 1.87 billion dollars in 1995, while China recorded trade of 1.33 billion dollars with South Africa.

Speculation over a change in Pretoria's allegiance came after Nzo paid a low-key visit to Beijing in late March.

PRC: Spokesman: Beijing 'Will Never Accept Double Recognition'

OW0507002196 Beijing ZHONGGUO XINWEN SHE
in Chinese 1413 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (ZHONGGUO XINWEN SHE) — Chinese Foreign Ministry spokesman Cui Tiankai said this afternoon that, regarding the question of establishing diplomatic relations between China and South Africa, China can wait if South Africa still needs time, but China will never accept double recognition, now or in the future.

Answering a question from a reporter from Taiwan, the spokesman once again stressed that the government of the People's Republic of China is the sole legal government representing all of China and that Taiwan is an inalienable part of China. This is recognized by the United Nations and by the overwhelming majority of the countries in the world. It is precisely on the basis of the one-China principle that China has established normal state-to-state relations with 158 countries, including some big countries.

United States & Canada

PRC: U.S. Firm Accused of Selling Radioactive Steel

OW0307112796 Beijing XINHUA in English
1113 GMT 3 Jul 96

[FBIS Transcribed Text] Tianjin, July 3 (XINHUA) — China accused a U.S. company of violating a contract agreement and selling China 78 tons of steel that was seriously contaminated with radioactivity.

"China has sent an official inquiry, asking the U.S. side to send people to China to discuss how to handle this problem," the port commission of Tianjin municipal government said here today.

The seven containers of contaminated steel arrived in Tianjin aboard the "Gregor 0029" on June 17, according to commission members.

"The steel was purchased by the Materials Recycling Corporation of China's Ministry of Internal Trade from the Material-Re-Sources Inc. in the U.S.," the Tianjin officials said.

According to a contract signed between the two sides last March, the steel must be high-quality waste steel from equipment used in the petroleum business.

The cargo left Houston on May 31 and arrived in Tianjin on June 17. On June 26 the Tianjin Commodity Inspection Bureau discovered that the amount of gamma rays in Number 3 container was as high as 3000ur/h, or 30 times the Chinese national limit and a clear violation of Chinese environmental protection laws.

The Chinese government and environmental protection departments were highly alarmed by the incident and transferred the steel to a nuclear industry warehouse in the city's suburbs.

When the Chinese company informed the American firm about this, the Americans said that the steel contained only a small amount of radioactive material and was within the limits of the U.S. Transportation Department.

But the laboratory tests conducted by researchers from the Chinese nuclear industry showed that the gamma rays at their maximum were 6000ur/h, more than 20 times the international limit of 250ur/h.

"The steel can be classified as material harmful to the environment and human beings," the Tianjin officials said.

The Chinese officials say they hope the Americans will send people to China to discuss handling the contaminated steel in accordance with international practices.

PRC: Army Paper Criticizes U.S. Foreign Policy

OW0407131396 Beijing XINHUA in English
1247 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — The Liberation Army Daily [JIEFANGJUN BAO], the Chinese armed forces key newspaper, today carried a signed article by Wei Wei refuting the "China Threat" theory.

With regard to the groundless catcalls of some western powers, particularly the United States, to preach that China is increasingly showing off its force, and that China has become something of a superpower, a string of questions was raised at the beginning of the article to draw attention of readers.

Who is showing its force to carry out hegemonism and power politics around world, relying on its own mighty military force and economic power? Who is imposing its will as a superpower onto small, poor and weak countries? Who on earth is threatening world peace and development? the article asked.

"It is well known that in modern history, the Chinese people suffered the bullying of foreign forces for a long period of time, and deeply knew the pains of invasion," the article said.

"The Chinese people value their hard-won independence and freedom after the founding of New China, and have been getting along friendly with the people of many countries," it said.

China has never attempted to seek hegemony in the world or in any region, never invaded an inch of foreign territory, never formed any military alliance, nor stationed a single soldier in foreign countries.

On the contrary, China cut one million of its armed forces a dozen years ago, which was rarely seen in terms of military reduction moves across the world. In addition, China is the first country to transfer men and women from the armed services to civil departments on an overall scale.

It is the United States, advocating most the "China Threat" theory, that has been attacked by people across the world for its ambition to dominate the world, the article said.

During the Cold War period, the United States carried out its "containment strategy" and "super-containment strategy".

Nowadays, it is implementing an "engagement and expansion strategy" to interfere in international affairs and impose its social patterns and values onto the whole world.

Driven by its hegemonic ambition, the United States has seen the most powerful military buildup in the world. Statistics by authoritative western organizations showed that the military budget of the United States in 1994 stood at 280.6 billion US dollars, which was 45 times that of China.

The expenditure for each American service personnel was 170,000 US dollars, 82 times that in China. The military spending for each American was 1,081 US dollars, while the per capita figure in China was only 5.3 US dollars.

Driven by its hegemonic ambition, the United States strives to maintain its military presence around the globe, with nearly 400 military bases in different places of the world, the article said.

It has stationed 100,000 troops in Europe, a large fleet and powerful air force in Middle East, 100,000 troops in Northeast Asia. And it attempts to regain its control over Southeast Asia through military access and cooperative agreements.

In this way, the United States unscrupulously claims to be the only country in the world to go in for large-scale and effective military moves beyond its own boundaries.

Driven by its hegemonic ambition, the United States has been showing off its force more and more, the article noted.

The United States has launched more than 70 foreign wars and invasions since its founding 200 years ago.

With various excuses in the past dozen years, it dispatched troops to other countries nine times, such as the invasion of Grenada, the sweeping of Panama, military moves in the Persian Gulf, and its intervention in Somalia and Haiti.

In July, 1994, US President Bill Clinton stressed time and again in his report on "engagement and expansion strategy" that after the Cold War, it is of paramount importance to maintain and expand a powerful defence which is able to be put into action at any time, so as to enhance American security.

A powerful defence helps ensure American impact on world affairs, which most revealed the hegemonic ambition of the United States to interfere in world affairs and expand American interest with the support of its strong military force.

The article said that in handling international affairs and relations with other countries, the United States has always pursued power politics, bullying the weak and playing the "role of global gendarme."

In so doing, it resorted to political, economic and cultural means, as well as military means, the article added.

"Economic sanctions" are a big stick used frequently by the US. According to some Americans, economic sanctions are an "important weapon" that the US employs to force other countries, especially small, poor and weak countries with ideology different from that in the US, to change their course.

According to the article, during the 1975-1994 period, the US used the "Super-301" 11 times for trade sanctions, thus applying enormous pressure on developing countries and Europe, and opening many trade channels for itself.

To subvert Cuba, the US disregarded a UN resolution requiring it to cancel its blockade of Cuba that had been adopted four times. In March 1996, it intensified its economic blockade of Cuba and threatened to enforce sanctions against foreign companies that maintain trade and economic relations with Cuba.

The US Congress recently adopted new bills applying even more severe sanctions against Iran and Libya, and threatened to penalize foreign companies that had invested in the two countries.

By employing domestic legislation to force other countries to yield to its political will, the US not only targets developing countries, but also its allies.

The US has also applied pressure to the United Nations by economic means. As everybody knows, the US has defaulted one billion US dollars in membership fees to the UN.

According to an American official, one billion dollars is less than one percent of US defense expenditure, and nobody believes that the US can not afford to pay its UN membership fee.

By defaulting, the US aims to coerce the UN to act on its will, the article pointed out.

"Resorting to 'human rights diplomacy' to pursue power politics has long been another favorite trick of the US," the article said.

The US also frequently applies sanctions against other countries under the pretext of the "lack of human rights" and "infringement of human rights."

The US has taken the lead in proposing anti-China motions in the UN human rights meetings, but has failed miserably, it said.

Since 1992, the US has manipulated the UN Human Rights Committee to adopt 58 resolutions on human rights, nearly all of which were directed at developing countries.

During the human rights conference held earlier this year, the US and other Western countries attacked by name 60 countries in Asia, Africa, Latin America and Eastern Europe, and made indiscreet comments on internal affairs of these countries.

This mean act of interfering in internal affairs of other countries under the pretext of the human rights issue constitutes a gross violation of the rules on the handling of international relations, as well as a serious threat to world peace and stability.

In fact, everybody knows that human rights in the US are in terrible conditions, the article said.

Violence-related crimes, abuse of children and women and large number of the homeless have become "incurable diseases" in US society.

It is revealed that 72,864 incidents involving the infringement of human rights of Mexican immigrants occurred in the US in 1995 alone.

Since announcing the World Human Rights Declaration in 1948, the UN has adopted over 50 declarations and conventions governing human rights. But a few of them have been approved by the US government.

Since it has not joined principle international conventions on human rights, with what stand can the US comment on human rights in other countries?

The article also criticized the US for setting double standards on many issues.

For example, the US fanfares arms control. But everyone knows that the US has always taken weapon exports as a special means to pursue its politics and foreign policy, and that it has used arms sales to interfere in regional situations.

The US currently exports arms to 141 countries and regions. It has supplied weapons to one warring side or both sides, involved in 45 regional conflicts over the past few years.

"This has been a major factor that has led to continuation of a number of hot spots and wars in the world," the article noted.

The US, which supplies at least 60 percent of annual global arms sales, has threatened to apply sanctions against a number of countries for providing defensive weapons to smaller countries.

The US has also baselessly accused China for proliferation of weapons, and tried by hook or crook to obstruct China in cooperation with other countries, in making peaceful use of nuclear energy.

In fact, the US is the world's No. 1 proliferator and user of massive lethal weapons. The fact was revealed not long ago that the US army used radioactive and poison gas weapons when NATO bombed Bosnian Serb installations last year serves as the latest evidence.

The article said that since the ending of Cold War the pursuance of hegemony and power politics has constituted a major factor leading to international disputes and tensions and threatening world peace and development.

The country that has been pursuing hegemony and power politics is precisely the US that has been trying to spread the "theory of a threat from China."

The article pointed out that not in the past or at present, has China ever interfered in the internal affairs of the United States, or done anything harmful to US interests. On the contrary, the US has time and again created disturbances against, and interfered in China's internal affairs. This is an indisputable fact, the article stressed.

The article said that Taiwan issue is the major obstacle which affects Sino-US relations. It continued, in recent

years, the US government has time again acted against its promises, saying one thing, while doing another.

The US government acknowledged that Taiwan is a part of China, but under the surface, it connived the forces calling for the independence of Taiwan, the article said.

In June last year, the US government allowed Li Teng-hui to visit the US, which seriously challenged the national sovereignty and national dignity of China, the article noted.

The US government acted against its promises and continuously sold large quantities of advanced weapons, including F-16 fighters, ship-based missiles, ship-based artillery, attack helicopters and tanks, and even lent Taiwan cruisers and tank landing ships, the article said.

The article said that the US government also unwisely interfered in military exercises the Chinese armed forces conducted in the Taiwan Straits, which was up to the international norms, and dispatched an aircraft carrier formation to the area to show off its military might.

The House of Representatives and the Senate of the US government even passed a resolution preaching that the US military forces should "safeguard Taiwan".

Are these actions of the US government, which obstructed the reunification of the Chinese nation and interfered in Chinese internal affairs, out-and-out threats to China? the article asked.

The US government has publically acknowledged that Tibet is part of China's territory, but its presidents have met with Dalai Lama at the White House one after another, and provided forums for Dalai Lama to play up the "independence of Tibet".

The US government knows very well that Hong Kong issue is a matter between China and Britain before July 1, 1997, and an internal affair of China after July 1, 1997, it simply dished up the so-called report on the US-Hong Kong policy act, making indiscreet comments on China.

The US government politicalized the issue of China's re-entry into the General Agreement on Tariffs and Trade and the World Trade Organization, and asked for too high a price, in a bid to obstruct China's entry into this world organization and destroy the process of convergency between the Chinese and world economies, using various unrealistic and harsh terms.

The US government also attacked China on issues of "human rights", intellectual property rights, non-proliferation of nuclear weapons, and even on family planning for no reason.

Having no regard to the common rules for the handling of international relations, some people in the United States purposely provoked confrontation, and dished up a "theory of China threat" to confuse and poison people's minds. What on earth do they want to do, the article asked.

The article pointed out, their very attempt is to "split" and "westernize" China and curb China's development and prevent China from becoming powerful, so as to put China forever under the control of the others.

The article said that the world is developing towards a multipole society, the attempt of any big nation which wants the world to act according to its own will no longer works.

People from all nations of the world hate Cold Wars, confrontation, wars and conflicts, and expect peace and development.

The article noted that advocates of the "China threat theory" tried to hide, but make their ambition to control the world more conspicuous. Their attempt to curb the development of socialist China is doomed to failure.

PRC: State Council Allows Tour Groups To Attend Atlanta Games

OW0407144496 Beijing XINHUA in English
1250 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — The State Council and China National Tourism Administration have approved tours organized by three leading travel services for Atlanta, Georgia, site of the 26th Olympic Games.

The agencies are China International Travel Service (CITS), China Travel Service, and China Youth Travel Service.

This is the first time for the Chinese government to give approval to its travel agencies for tours to the U.S., and is the first time Chinese tour groups are going to Olympic Games abroad.

CITS is preparing two tours of Chinese citizens above the age of 35, with more than 40 persons, according to Liu Wuxiong, an official in charge of the travel service.

The number of applicants from around the country is increasing dramatically, he said.

The 15-day activities will include tours of Washington, New York and Philadelphia, and watching the games, said Lu Li, deputy manager of its Overseas Tourism Department.

Central Eurasia

PRC: Jiang Zemin, Akayev Sign Sino-Kyrgyzstan Joint Declaration

OW0407061096 Beijing XINHUA in English
0558 GMT 4 Jul 96

[FBIS Transcribed Text] Biskek, Kyrgyzstan, July 4 (XINHUA) — China and Kyrgyzstan today issued a joint declaration to hail the development of bilateral relations.

The joint declaration, signed by visiting Chinese President Jiang Zemin and Kyrgyz President Askar Akayev, stated that further development of bilateral ties will be beneficial to the basic interests of both the Chinese and Kyrgyz peoples and will be conducive to maintaining peace and stability in Asia and the world over.

China and Kyrgyzstan reiterated that they will continue to honor the joint communique issued in January 1992 when the two countries established diplomatic relations, that is, the two countries will show respect for each other's sovereignty and territorial integrity.

The two countries are willing to forge a lasting stability, good neighborliness and mutually-beneficial cooperation on the basis of equality, mutual benefit and peaceful coexistence, aiming at the coming 21st century, the joint declaration said.

China and Kyrgyzstan have promised not to invade each other, nor interfere in each other's internal affairs, nor sign any accord with a third party against each other.

The joint declaration stated that the two countries will conduct frequent contacts and dialogues to compare notes on issues of bilateral, regional and global interests.

Apart from strengthening the cooperation in politics, economy, trade, science, technology, culture, education, health care, mass media, tourism and sports, the two countries will also cooperate in the fields of mining, energy, electronics, transportation, telecommunication, light industry, food processing, agriculture and construction.

The two countries will further cooperation in highway, railway and air transportation and will offer convenience in using each other's air and sea ports.

They also pledged to concert their efforts in cracking down international terrorist activities, organized crimes, drug production and trafficking as well as smuggling.

China and Kyrgyzstan will continue to resort to negotiations on equal footing and mutual understanding and accommodation to resolve the issue of the common border which has not yet been drawn, the joint statement said.

The two countries are determined to materialize the confidence- building agreement signed in April this year by China, Kyrgyzstan, Kazakhstan, Tajikistan and Russia.

Kyrgyzstan reiterated that Taiwan is part of China and that it will not have any official relations nor conduct any official contact with Taiwan.

China reiterated its respect for Kyrgyzstan's independence, sovereignty and territorial integrity.

Both are against separatist activities of any kind in their respective countries, the joint statement said.

The declaration said that the two countries will contribute to promoting peace, stability, development and prosperity in the Asia- Pacific region and in the world as well.

PRC: Jiang Zemin Signs Cooperation Agreements With Kyrgyzstan

OW0407084596 Beijing XINHUA in English
0836 GMT 4 Jul 96

[FBIS Transcribed Text] Biskek, Kyrgyzstan, July 4 (XINHUA) — China and Kyrgyzstan signed a series of cooperation documents here today.

The documents include five agreements on bilateral cooperation in civil and legal affairs, air transportation, customs, meteorological technology and banking, and a document on China's aid of 3 million yuan (about 361,446 U.S. dollars) in goods to Kyrgyzstan.

Chinese President Jiang Zemin and Kyrgyz President Askar Akayev attended the signing ceremonies at the presidential office.

Earlier the two presidents signed a joint declaration on the development of the bilateral ties between China and Kyrgyzstan.

The Chinese president arrived here Wednesday [3 July] and is scheduled to leave later today to continue his trip to Almaty, Kazakhstan.

PRC: Jiang Zemin Signs Border Accord With Kyrgyzstan

OW0407090696 Beijing XINHUA in English
0857 GMT 4 Jul 96

[FBIS Transcribed Text] Bishkek, July 4 (XINHUA) — Visiting Chinese President Jiang Zemin and his Kyrgyz counterpart Askar Akaev today signed an agreement on the demarcation of the borders between the two countries.

The signing ceremony, held at the Presidential Palace here, came after talks between the two presidents.

Chinese Foreign Ministry spokesman Shen Guofang, who is accompanying Jiang, described the signing of the agreement as "an important event" in the history of the Sino-Kyrgyz relations.

He said the agreement is conducive to the consolidation and development of long-term, stable, good-neighborly and friendly relations between China and Kyrgyzstan, as well as to prosperity and stability in their border areas.

"It is yet another important positive element, following the accord on building trust in border areas among China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed in Shanghai in April, in enhancing regional peace and stability," Shen pointed out.

China started border negotiations with the former Soviet Union in 1964, and resumed talks with Russia, Kazakhstan, Kyrgyzstan and Tajikistan after they became independent.

China and Kyrgyzstan have more than 1,000 kilometers of common borders.

Shen said border negotiations between the two countries have been conducted in the spirit of respect for the history, equal consultation and mutual understanding and compromise.

The spokesman said that the two sides have agreed to continue talks to complete the demarcation of the remaining unsettled borders as early as possible.

PRC: Jiang Zemin Cited on Further Relations With Kyrgyzstan

OW0307164796 Beijing XINHUA in English
1602 GMT 3 Jul 96

[FBIS Transcribed Text] Bishkek, July 3 (XINHUA) — Visiting Chinese President Jiang Zemin said here today that the Chinese people are ready to join with the Kyrgyz people to make greater contributions to peace, development and progress of mankind.

Speaking at a banquet hosted by Kyrgyz President Askar Akayev, Jiang said he was to "explore with leaders of Kyrgyzstan ways to build our future relationship from a strategic height toward the 21st century, and to enable our peoples to live in harmony from generation to generation."

Jiang arrived here earlier this afternoon on a two-day state visit to Kyrgyzstan at the invitation of President Akayev.

Over the past few years, the friendly, good-neighborly, mutually- beneficial and cooperative relationship between China and Kyrgyzstan has enjoyed healthy development, Jiang said.

Bilateral exchanges and cooperation in all fields between the two countries have produced positive results, he added.

Jiang went on to say that the two countries are good neighbors with 1,000 kilometers of common borders, and Kyrgyzstan, once an important country on the ancient "Silk Road," had made extraordinary contributions to commercial and cultural exchanges between Asia and Europe.

Since its independence in 1991, Kyrgyzstan has stabilized its political situation, gradually revived its economy, improved national unity and made progress in social development, Jiang said.

It is now a country full of vigor, he said.

Akayev said China was one of the first countries which recognized Kyrgyzstan soon after its independence and has rendered the most important political support to the formation of a fledgling Kyrgyzstan.

"We bear in mind and always treasure all these," Akayev said.

He said the establishment of diplomatic ties between the two countries created very favorable conditions for bilateral cooperation in all fields.

"Over the past five years, the two countries have laid a sound foundation bound by relevant cooperative agreements, and exchanged high-level visits and witnessed rapid development in economic and trade relations," he added.

The two countries are strengthening cooperation for peace and stability in Asia, which is manifested by the significant accord on building military trust in border areas between China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed by their heads of state in Shanghai, China, in April, Akayev said.

"Today we have enough reason to re-affirm that we have no conflicts and differences which would hamper the further development of our bilateral relations toward the 21st century," he emphasized.

During the visit, Jiang is expected to have an in-depth exchange of views with President Akayev and other leaders of Kyrgyzstan on bilateral relations and international issues of common concern, and sign a number of documents.

The Chinese President flew to Bishkek, the fifth leg of his six-nation tour in Europe and central Asia, after successfully winding up his state visit to Uzbekistan, which was preceded by visits to Spain, Norway and Romania.

PRC: Jiang Zemin, Kyrgyz President Attend Banquet 4 Jul

OW0407110696 Beijing XINHUA in English
1057 GMT 4 Jul 96

[FBIS Transcribed Text] Bishkek, July 4 (XINHUA) — Chinese President Jiang Zemin met here today with his Kyrgyz counterpart Askar Akayev, proposing that the two countries set up a new type of good-neighborly relations looking toward the 21st century.

Jiang put forward the proposal at a banquet given by the Kyrgyz president, who said afterwards that he agreed with Jiang's suggestion.

Akayev said that his country attaches great importance to Jiang's visit, which he described as one paid by the highest leader from the "great neighboring country."

Kyrgyzstan "was, is and will be" China's good neighbor and partner, he said.

Jiang said that since the establishment of diplomatic ties four years ago, China and Kyrgyzstan have made headway in mutually-beneficial cooperation in politics, economy and trade, science and technology, culture and education, and other fields.

"We are satisfied with all these and value the personal contributions made by President Akayev," said Jiang.

The visiting president stressed that developing long-term good-neighborly relations with other countries is one of the basic policies of China.

No matter how the world situation changes, China will hold its policy of developing friendly and cooperative Sino-Kyrgyz relations on the basis of the Five Principles of Peaceful Co-existence.

"Leaders of our two countries should map out our future relationship looking toward the 21st century to enable it to help maintain the long-term and stable, friendly and cooperative relations," said the Chinese president.

Akayev said that he completely agrees with Jiang's proposal for further developing bilateral relations. He regards China as a partner with strategic significance.

He said that a prosperous China will help maintain world peace and stability.

Kyrgyzstan is firmly opposed to national separatism and will not allow any anti-China activities on its territory, he said, adding that his country supports China's territorial integration and the cause of reunification.

Jiang noted that the two countries have made progress in trade and that the bilateral trade and economic relations have a great potential and bright prospect.

"We hope our respective departments will strengthen cooperation and actively explore new ways and methods in line with international trade practices and characteristics of our two countries," he said.

Akayev said both governments should encourage more enterprises to cooperate. Jiang's visit will help promote the mutual trade and economic relations, said the president.

Both presidents spoke highly of the Sino-Kyrgyz agreement on the demarcation of the borders between the two countries they signed earlier today. They said it will help consolidate and develop the long-term good-neighborly relations and promote prosperity and stability in the border area.

Akayev also said that the five-nation border agreement on confidence-building in the military field in border areas that was signed in Shanghai, China in April 1996, is of historic significance.

PRC: Jiang Zemin Meets Uzbek Parliament Speaker

*OW0307122996 Beijing XINHUA in English
1109 GMT 3 Jul 96*

[FBIS Transcribed Text] Tashkent, July 3 (XINHUA) — China attaches great importance to developing its ties with Uzbekistan, Chinese President Jiang Zemin said in a meeting with Uzbek Supreme Assembly (parliament) Speaker Erkin Khalilov here today.

Jiang noted that in the past five years, Uzbekistan has made encouraging achievements in maintaining social stability, national harmony and in developing economy.

Uzbekistan has successfully promoted its status and influence in the international arena by actively engaging in world affairs, he said.

"As a friend and close neighbor, we feel wholeheartedly delighted about this," Jiang said.

The Chinese president said China was satisfied to see the continuous strengthening and developing of the Sino-Uzbek relations as cooperation and exchanges in all fields between the two countries have expanded and confidence between them increased in the past few years.

Jiang stressed that the exchanges between the parliaments of China and Uzbekistan are a key part of the bilateral relations, and that such contacts have helped promote understanding and friendship between the two peoples.

"We fully support the Chinese National People's Congress (NPC) in strengthening exchanges and cooperation on all levels with the Uzbek Supreme Assembly, so as

to make more and greater contribution to the development of the bilateral relations," Jiang said.

Khalilov said the Uzbek Supreme Assembly wishes to cooperate with the Chinese NPC as it actively participates in international inter-parliamentary activities.

The parliament speaker spoke highly of China's remarkable achievements in economic reform, adding that the Uzbek people pay much respect to the Chinese people.

He expressed the belief that Jiang's visit will push forward the relations between his country and China.

Uzbek President Islam Karimov, who earlier had talks with Jiang, was present at the meeting between Jiang and Khalilov.

Jiang, who arrived here on Tuesday [2 July], will wind up his two-day visit to Uzbekistan later today. He will go to Kyrgyzstan and Kazakhstan, the last two legs of his six-nation tour which has taken him to Spain, Norway and Romania.

PRC: Jiang Zemin, Uzbekistan's Karimov Discuss Peace, Stability

*OW0307112096 Beijing XINHUA in English
1036 GMT 3 Jul 96*

[FBIS Transcribed Text] Tashkent, July 3 (XINHUA) — Visiting Chinese President Jiang Zemin met here today with his Uzbek counterpart Islam Karimov, expressing support for the maintenance of peace and stability in central Asia.

During the talks held at the Dyrmen State Guest House, Jiang said Uzbekistan is a country with important influence in the central Asian region.

Karimov, who briefed Jiang on the situation in central Asia, said that there exist some elements of instability and that his country is advocating strengthening of security cooperation and taking measures to ensure peace and stability in the region.

On the bilateral relationship, Jiang said the two countries are close neighbors although they don't have common borders.

Since the establishment of diplomatic ties four years ago, he said, the two countries have made headway in mutually-beneficial cooperation in politics, economy and trade, science and technology, culture and education, and other fields.

"We are satisfied with all these and value the personal contributions made by President Karimov," Jiang added.

He attributed the smooth development of bilateral friendly and cooperative ties to the attention and strategic considerations of leaders of the two countries, to both sides' adherence to the principles set forth when the diplomatic relations were established, and to their close cooperation and support in international affairs.

"Leaders of our two countries should map out our future relationship from a strategic height toward the 21st century to enable it to benefit our two peoples, and peace and stability in the region and the world as a whole," Jiang said.

"We have every reason to believe that the Sino-Uzbek friendly and cooperative relations have great potential and prospect," he added.

Jiang thanked Uzbekistan for its understanding and support concerning the issues of Taiwan, Tibet and anti-separatism efforts. He said China will as always support Uzbekistan in its efforts to safeguard national independence and sovereignty, stabilize domestic situation and develop its national economy.

Karimov said his country attaches importance to China's role in international affairs and expressed the hope that the two sides will promote cooperation and consultation in this area.

Jiang said bilateral economic and trade cooperation have made remarkable progress in recent years thanks to their joint efforts, but they still lag far behind their potential.

"We therefore hope our respective departments will strengthen cooperation and actively explore new ways and methods in line with international trade practices and characteristics of our two countries," he said.

"It is our shared wish to continuously expand and develop bilateral economic and trade cooperation and enhance common prosperity; we are confident of their prospects," he emphasized.

Karimov said the two countries now have some 30 cooperative agreements, which, together with the five more to be signed here later, will give a new impetus to bilateral economic and trade cooperation.

"We are willing to see more joint ventures and more Chinese commodities in Uzbekistan, and we also hope the cooperative ties in the fields of culture, science and technology will further develop, in order to push forward our comprehensive relations to a new and higher level," he added.

The two leaders also discussed the issue of transportation, deeming it an indispensable element in expanding bilateral cooperation and their cooperation with other central Asian countries.

They called on countries concerned in the region to increase consultations and exhaust all feasible ways to improve their own transportation and gradually establish an air, railway and highway network among them to rejuvenate the ancient "Silk Road."

Jiang arrived here Tuesday [2 July] for a two-day state visit, the fourth leg of his current tour which has taken him to Spain, Norway and Romania and will lead him to Kyrgyzstan and Kazakhstan.

PRC: Jiang Zemin Ends Visit to Uzbekistan

OW0307144396 Beijing XINHUA in English
1415 GMT 3 Jul 96

[FBIS Transcribed Text] Tashkent, July 3 (XINHUA) — Chinese President Jiang Zemin today wound up his two-day visit to Uzbekistan today and headed for Bishkek, capital of Kyrgyzstan.

During his visit to Uzbekistan, Jiang held talks with Uzbek President Islam Karimov, expressing support for the maintenance of peace and stability in central Asia.

Karimov said that his country is advocating strengthening of security cooperation and taking measures to ensure peace and stability in the region.

Jiang said the two countries are close neighbors although they don't have common borders.

Karimov said his country attaches importance to China's role in international affairs and expressed the hope that the two sides will promote cooperation and consultation in this area.

The two presidents signed a joint declaration to hail the smooth development of bilateral relations ever since the two countries established diplomatic ties early in 1992.

During the visit, Jiang also met with Uzbek Supreme Assembly (parliament) Speaker Erkin Khalilov.

PRC: XINHUA Roundup on Friendship With Neighboring Uzbekistan

OW0307125196 Beijing XINHUA Domestic Service
in Chinese 0517 GMT 1 Jul 96

[Roundup by XINHUA reporter Hu Hanying (5170 3352): "Friendship Between China and Uzbekistan Goes Back to Ancient Times"]

[FBIS Translated Text] Tashkent, 1 July (XINHUA) — Uzbekistan is China's near neighbor, which is also a country with an ancient civilization. Tashkent, the capital of Uzbekistan, is a well-known ancient city and was an important castle on the ancient "Silk Road."

China and Uzbekistan have age-old, traditional relations of friendship. Since the establishment of diplomatic relations between China and Uzbekistan in 1991, new advances have been made in this traditional friendship.

The friendly relations between China and Uzbekistan are developed on the basis of the Five Principles of Peaceful Coexistence. After Uzbekistan declared independence at the end of 1991, China was one of the earliest to recognize Uzbekistan and then establish diplomatic relations. In the past several years, considerable progress has been made in the relations between the two countries in such fields as politics, economy, science and technology, and culture. Uzbek President Islom Karimov's visits to China in 1992 and 1994 were a complete success [yuan man cheng gong 0955 3341 2052 0501]. The visits by Li Peng, premier of the Chinese State Council, Hu Jintao, Standing Committee member of the CPC Central Committee, and Qian Qichen, vice premier of the State Council and concurrently Foreign Minister to Uzbekistan in recent years were highly successful [zhuo you cheng xiao 0587 2589 2052 2400]. The frequent contacts of senior leaders of the two countries have powerfully expedited the smooth development of bilateral relations.

China and Uzbekistan share a lot in common: The two are all developing countries; they are carrying out economic reforms in the light of their own national conditions; and their economies are highly complementary. China and Uzbekistan have signed nearly 30 agreements on mutual cooperation up to now. According to the Chinese customhouse's statistics, the volume of trade between the two countries amounted to nearly \$120 million in 1995. In Uzbekistan there are now scores of Sino-Uzbek joint-venture enterprises, of which many have operated well.

Uzbekistan's economic reform has also developed steadily. Among the member nations of the Commonwealth of Independent States, Uzbekistan's economy is in a better shape, with production in many economic departments having started to recover. Therefore, China and Uzbekistan have broad prospects in economic and trade cooperation.

The people of Uzbekistan are looking forward to Chinese President Jiang Zemin's visit to their country. Jiang Zemin's current visit to Uzbekistan will be of historic significance.

The current visit will surely add a new brilliant chapter to the annals of friendly relations between China and Uzbekistan and lay a solid foundation for the development of the two countries' relations in the 21st century.

PRC: 'Text' of PRC-Uzbekistan Joint Declaration

OW0407142396 Beijing XINHUA Domestic Service in Chinese 0759 GMT 3 Jul 96

[By reporters Ju Mengjun (0215 1322 6511), Gao Xinghua (7559 5281 5478), and Wu Hanying (0702 3352 5391)]

[FBIS Translated Text] Tashkent, 3 Jul (XINHUA) — PRC President Jiang Zemin and Republic of Uzbekistan President Karimov signed a joint declaration of the two countries on 3 July. The full text of the declaration reads as follows:

Joint Declaration of the PRC and the Republic of Uzbekistan

1. At the invitation of Republic of Uzbekistan President Islam Karimov, PRC President Jiang Zemin made a state visit to the Republic of Uzbekistan 2-3 July.

Under a cordial, friendly, and pragmatic [wu shi 0523 1395] atmosphere, the two countries' leaders had an in-depth exchange of views, and reached a broad range of common understanding on bilateral relations and regional and international issues of common concern. The two sides held that PRC President Jiang Zemin's visit to Uzbekistan was a complete success [yuan man cheng gong 0955 3341 2052 0501] and it has upgraded the two countries' friendly and cooperative relations to a new level.

2. The two sides were satisfied with the positive and smooth development of their cooperation in the political, economic and trade, scientific and technological, cultural, education, public health, and other spheres since the establishment of Sino-Uzbekistan diplomatic relations in January 1992.

The two sides unanimously maintained that further consolidating and strengthening the two countries' equal and mutually beneficial friendly and cooperative relations and ensuring their steady, long-term development on the basis of the principles stated in the 2 January 1992 Sino-Uzbekistan joint communique on the establishment of diplomatic relations, the 13 March 1992 Sino-Uzbekistan joint communique, and the 24 October 1994 Sino-Uzbekistan statement governing the basic principles for mutual relations and the development and deepening of the two countries' equal, mutually beneficial friendship and cooperation accord the two peoples' wishes and fundamental interests, and are conducive to the peace, stability, and development in this part of the world.

The two sides will continue to broaden their cooperation in the fields of political affairs, economy and trade,

science and technology, communications, telecommunications, culture, education, public health, journalism, tourism, sports, and other areas; and will develop the two countries' relations in all mutually beneficial areas.

3. China recognizes and respects the Republic of Uzbekistan's independence, sovereignty and territorial integrity; and reaffirms its support for the efforts which Uzbek leaders have made in upholding an independent policy for the sake of safeguarding national independence, developing the economy, and carrying out economic and social reforms.

Uzbekistan reiterated that the PRC Government is the only legitimate government of China, and Taiwan is an inseparable part of Chinese territory; and that the Republic of Uzbekistan will not establish official relations of any form with Taiwan.

4. The two sides declared that they were against national separatism of any form, that they do not permit any organization or force to engage in separatist activities in their respective countries against the other side; and that they are against inciting contradictions between countries, ethnic groups, and religions.

5. The two sides will carry out cooperation within the framework of international organizations, and especially within the realm of the United Nations, to enhance the United Nations' role and efficiency in consolidating world peace and security.

6. The views which the two sides exchanged in regional and international issues of mutual concern showed that the two sides' shared identical or similar views in many areas. The two sides agreed to continue their consultations and strengthen cooperation in international affairs, and will coordinate their stands on pressing issues of international relations.

7. The two sides maintained that regional conflicts should be settled peacefully through negotiations in the spirit of friendly consultations, mutual understanding, and mutual concession; and that they are against the use of force or the threat to use force.

8. The two sides unanimously maintained that maintaining Central Asia's peace, stability and development, and strengthening economic cooperation between countries and regions not only are in the fundamental interest of the peoples in this region, but also are significant for safeguarding peace and stability in Asia and the world at large.

The Chinese side appreciated the efforts Uzbekistan had made to strengthen Central Asia's security, stability, and cooperation.

In light of the spirit of the United Nations' relevant resolutions, the two sides called on all countries to take necessary steps, including halting the delivery of weapons to Afghanistan, to expedite Afghanistan's peace process.

The two sides paid close attention to the situation in Tajikistan, and sincerely urged all relevant parties to attach utmost importance to the interests of the country and the people, proceed from the overall importance of safeguarding regional peace and stability, and settle their disputes peacefully through political negotiations so that national reconciliation and national stability can be attained at an early date.

9. The Uzbekistan side spoke highly of the efforts which the Chinese side had made in strengthening mutual trust and good-neighborly relations with neighboring countries, maintaining that this will have a positive impact on safeguarding peace and security in Asia and the world at large.

10. The two sides have come to understand one another better through briefing one another on their respective political and economic situations, and extensively exchanged views on economic reforms. The two sides' views on the reform process were similar in many areas. They maintained that, despite the differences of the two countries' situations, it is useful for the two sides to brief one another and exchange views on reform theories and actual reform experiences.

11. The two sides maintained that, as the two countries' restructuring of economic and foreign trade systems continues, the two sides should continue to develop all forms of trade and economic and technical cooperation, with spot trade as the mainstay, on the basis of equality and reciprocity, and in accordance with international norms and conventions.

The two governments will facilitate and provide the necessary support for the mainstays of economic and trade cooperation — especially the large- and medium-size reputable and economically strong enterprises and companies — so that they can carry out mutual cooperation. The two sides will work together to deepen the two countries' economic and trade cooperation.

12. To improve communications and transportation between the two countries, the two sides will continue to develop and deepen cooperation in transport and transit transport through seaports, airports, railways, highways, and other channels.

13. The two sides will continue to expand and deepen the cooperation between two countries' judicial authorities in fighting crime, especially organized crime, as well as illegal production and trafficking of narcotics.

14. The two sides agreed to maintain and develop contacts and dialogues at all levels, including the highest level, and maintained that this is significant for promoting mutual understanding and trust and expediting the development of Sino-Uzbekistan friendship and cooperation.

PRC President Jiang Zemin invited Republic of Uzbekistan President I. Karimov to visit China again at his convenience. Republic of Uzbekistan President I. Karimov expressed thanks and accepted the invitation.

[Signed] Jiang Zemin, president of the People's Republic of China

[Signed] Karimov, president of the Republic of Uzbekistan

In Tashkent on 3 July 1996.

PRC: Jiang Zemin Supports Kazakhstan Independence, Sovereignty

OW0407165796 Beijing XINHUA in English
1646 GMT 4 Jul 96

[FBIS Transcribed Text] Alma-ata, July 4 (XINHUA) — Chinese President Jiang Zemin said here today that China will as always support Kazakhstan's independence and sovereignty and its people's choice of the road for social and economic development.

Speaking at a banquet hosted by Kazak President Nursultan Nazarbayev tonight, Jiang said China will work together with Kazakhstan to develop equal, mutually-beneficial and friendly relations on the basis of the five principles of peaceful co-existence and to seek common prosperity.

"China will always be a good neighbor, good friend and good partner of Kazakhstan," he assured.

Jiang arrived here earlier this afternoon on a three-day state visit to Kazakhstan at the invitation of President Nazarbayev.

He said that over the past four years, the friendly, good-neighborly, mutually-beneficial and cooperative relationship between China and Kazakhstan has enjoyed healthy development, and bilateral exchanges and cooperation in all fields produced positive results.

The Chinese people admire Kazakhstan's progress in stabilizing political situation, reviving economy, improving national unity and advancing social development, Jiang said.

The central Asian republic actively participated in international affairs and played a positive role in promoting regional peace, stability and cooperation, he added.

Nazarbayev said Jiang's first state visit is full of sincerity and trust, which will help enhance the friendship and cooperation between the two peoples.

"We hope we can regard China as a reliable and strong neighbor with which we can open dialogue on equal footing, develop long-term partnership and solve all problems with ease," he said.

"We not only have common borders, but also are focusing efforts on the common objectives of prosperity and progress," he said, adding that Kazakhstan is attentive to China reform and would study the experiences in economic restructuring while maintaining domestic political stability.

"We can work together to solve a lot of problems, including reviving and developing the 'Silk Road,' which connects not only our two economies, but also the hearts of our peoples who love and trust each other," Nazarbayev said.

During the visit, Jiang is expected to have an in-depth exchange of views with his counterpart Nazarbayev and other leaders of Kazakhstan on bilateral relations and international issues of common concern.

The Chinese President today arrived in Alma-Ata, the last leg of his six-nation tour in Europe and central Asia, after successfully winding up his state visit to Kyrgyzstan, which was preceded by visits to Spain, Norway, Romania and Uzbekistan.

PRC: 'Roundup' Views Sino-Kazakhstan Relations

OW0407144596 Beijing XINHUA Domestic Service
in Chinese 0258 GMT 3 Jun 96

["Roundup" by Jia Zhiping (6328 1807 1627), Zhong Zhong (6988 1813), and Chen Junfeng (7115 0193 6912): "China-Kazakhstan Relations Have Developed Smoothly and Have Broad Prospects"]

[FBIS Translated Text] Almaty, 3 Jul (XINHUA) — Since Kazakhstan gained independence more than four years ago, China-Kazakhstan relations have solidly developed on the basis of the two countries' traditional friendship. The two countries have frequently conducted high-level contacts, further enhanced their mutual understanding, and strengthened bilateral cooperation in the political, economic, and cultural fields.

The Kazakh Government highly values the development of bilateral cooperative relations with China and has put this in a priority position in its diplomatic strategy. China and Kazakhstan share a common border more than 1,700 km long, with some nationalities living across the border; the two countries are carrying out economic reform, their economies are complementary

to each other, and there is tremendous potential in their economic and trade cooperation and exchanges. Kazakhstan, a hinterland country, can gain access to the Pacific Ocean and Southeast Asia through China, quite favorable to strengthening its economic and trade exchanges with Asian countries. China and Kazakhstan established diplomatic relations on 3 January 1992. Since then the two countries have embarked on an entirely new track of development in their relations.

In October 1993, as head of state of an independent and sovereign country, Kazakh President Nazarbayev visited China for the first time, during which China and Kazakhstan signed a joint statement on developing bilateral relations. In April 1994, Chinese Premier Li Peng visited Kazakhstan, during which the two countries' leaders signed a China-Kazakhstan border agreement, legally resolving almost all the location problems of the China-Kazakhstan border.

In September 1995, Nazarbayev visited China again, during which the two countries' leaders summed up the development of bilateral relations and signed a joint statement on further developing and deepening good-neighborly relations. The two countries' national defense ministers signed a memorandum on China-Kazakhstan military cooperation and the two governments signed an agreement on Kazakhstan using China's Lianyungang. According to this agreement, Kazakhstan can conduct trade exchanges with countries along the Pacific coasts and southeastern regions through Lianyungang. The distance between Kazakhstan and Lianyungang is 3,500 km whereas the distance between Kazakhstan and a Russian far eastern port through Siberia is 8,500 km. Kazakhstan can save 5,000 km in conducting foreign trade through Lianyungang and its goods transportation time will be greatly reduced.

In April this year, Nazarbayev, Russian President Yeltsin, Kyrgyz President Akayev, Tajik President Rakhmanov, and Jiang Zemin gathered in Shanghai to sign an agreement on border regions strengthening military regional trust. Kazakh officials regarded this as the "greatest diplomatic move in the 20th century," adding that from this time on, the Kazakhstan-China border will become a "genuinely peaceful and friendly region."

China-Kazakhstan economic and trade cooperation has also rapidly developed. China-Kazakhstan trade volume amounted to \$360 million in 1992 and rapidly increased to \$430 million in 1993. The two countries' trade volume dropped to \$336 million in 1994 due to commodities' quality and investment risks but rose to \$390 million in 1995. The opening to traffic of the second Eura-

sia land bridge has provided more convenient conditions for the further development of China-Kazakhstan trade.

High-level Kazakh leaders are full of confidence in further developing the two countries' relations. During an interview with XINHUA reporters in February this year, Kazakh Foreign Minister Tagayev said: "The long-term and stable development of good-neighborly relations between Kazakhstan and China corresponds with the interests of the peoples of the two countries and is also beneficial to safeguarding and consolidating peace and stability in Asia."

Now Kazakhstan is actively preparing for Chinese President Jiang Zemin's upcoming visit. Kazakh leaders said that Jiang Zemin's visit will greatly promote the further development of Kazakhstan-China relations.

PRC: Jiang Zemin, Li Peng Congratulate Yeltsin on Victory

OW0407160196 Beijing XINHUA in English
1547 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4 (XINHUA) — Chinese President Jiang Zemin and Premier Li Peng today sent separate messages of congratulations to Russian President Boris Yeltsin on his victory in the presidential election.

"Please accept my heartfelt congratulations on the occasion of Your Excellency's re-election as Russia's president," Jiang said in a message.

"Sino-Russian relations have thrived in recent years and Your Excellency has given a direct and strong push to their healthy development.

"I believe that the traditional friendship of the two peoples and the 21st century-oriented strategic partnership between the two countries can develop permanently and more profoundly.

"Through the joint efforts of the two countries and peoples, China and Russia will definitely realize the goal of everlasting neighborly friendship, mutual respect and trust, equal and mutually-beneficial cooperation and common development and prosperity," the Chinese president said.

In a separate message, Li said, "I extend my warmest congratulations to you on the occasion of your re-election as Russian president."

Contacts and cooperation between the two governments and peoples have yielded satisfactory results, Li noted.

Yeltsin is poised to be the next Russian president after winning Wednesday's second round of presidential elections.

With nearly 54 percent of the vote, he led his political rival Gennadiy Zyuganov by more than 13 percentage points with over 99 percent of the votes counted.

The two men entered Wednesday's [3 July] run-off after beating eight other candidates but failing to win more than 50 percent of the votes in the first round election held on June 16.

PRC: Li Peng Congratulates Yeltsin on Election Victory

OW0407231396 Beijing XINHUA Domestic Service in Chinese 1538 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (XINHUA) — Li Peng, premier of the Chinese State Council, sent a cable on 4 July to Russian President Yeltsin, congratulating him on being reelected as Russian president. The full text of the congratulatory message is as follows:

Your Excellency Boris Nikolayevich Yeltsin

President of the Russian Federation, Moscow:

I extend my warmest congratulations to you on the occasion of your reelection as Russian president.

Since China and Russia established state relations in 1991, the Sino-Russian governments and peoples have been continually expanding and deepening exchanges and cooperation in various fields and have attained satisfactory results in this regard. I believe a Sino-Russian strategic and cooperative partnership — based on an equal footing, trustworthy, and geared toward the 21st century — definitely will develop comprehensively and permanently.

I hope you will continually attain new accomplishments at this lofty post.

Li Peng, premier of the PRC State Council,

4 July 1996 in Beijing

PRC: Jiang Zemin Congratulates Yeltsin on Election Victory

OW0407233996 Beijing XINHUA Domestic Service in Chinese 1550 GMT 4 Jul 96

[FBIS Translated Text] Beijing, 4 Jul (XINHUA) — Chinese President Jiang Zemin sent a cable on 4 July to Russian President Yeltsin, congratulating him on being reelected as Russian president. The full text of the congratulatory message is as follows:

Your Excellency Boris Nikolayevich Yeltsin

President of the Russian Federation, Moscow:

Please accept my most sincere congratulations on the occasion of your reelection as Russian president.

Sino-Russian relations have been prospering in recent years and Your Excellency has given a direct and strong push to their healthy development. I believe the traditional friendship of the two peoples and the 21st century-oriented strategic and cooperative partnership between the two countries can develop more comprehensively and permanently. Through joint efforts of the two countries and peoples, China and Russia will definitely realize the "goal of everlasting good-neighborly friendship, mutual respect and trust, equal and mutually beneficial cooperation, and common development and prosperity."

I hope your country will prosper and your people will be happy.

PRC President Jiang Zemin

4 July 1996

PRC: 'News Analysis' Views Yeltsin's Reelection

OW0507083096 Beijing XINHUA in English 0759 GMT 5 Jul 96

["News Analysis: Well-Thought Tactics Keep Yeltsin in Kremlin"]

[FBIS Transcribed Text] Moscow, July 5 (XINHUA) — It's only a matter of time before it can be pronounced that Boris Yeltsin will preside over the Kremlin and Russia for another four years.

The incumbent president now has two moves to thank for as he managed to fend off a strong challenge from Gennadiy Zyuganov, chief of the Russian Communist Party and archrival in the 10-candidate presidential race.

Feeding the people in the country and stopping the war in Chechnya enabled Yeltsin to more than survive the first-round polling last month. Appointing a retired general as his henchman uplifted him out of Wednesday's runoff as a clear winner.

The central electoral commission announced today that after 97 percent of the votes had been tallied, Yeltsin led Zyuganov with 53.7 percent or 38.94 million of the ballots. Zyuganov got 29.3 million votes or 40.41 percent.

Now Yeltsin and Zyuganov were separated by an insurmountable differential of 9.6 million votes though the distance between the duo was a lot closer and the other way around six months ago.

When the presidential campaign began in February this year, Gyuganov took the advantage of most of the triumph of the Communist Party in the parliamentary elections last December.

An opinion poll, conducted by the Russian Center for Public Opinion Research in late February, showed that Zyuganov commanded the support of 24 percent of the respondents whereas Yeltsin obtained only 11 percent in favor.

Yeltsin launched his come-from-behind campaign by promising and offering social welfare in kind.

He saw to it that wages in arrears were paid; pensions were raised; the military was restructured and the price of vodka was held down.

The 65-year-old man braved fatigue and his sometimes mysterious health problem to travel far and wide. He even went down coal mines and up to the Chechen battle fronts to make his platform heard and appreciated.

Yeltsin's campaign trek led him from his home town of Yekaterinovka to the Urals while the air waves of radio and television debates carried his message further beyond.

His footing in the presidential wrestle became firmer as he firmed his stance on issues of Chechnya and the NATO eastward enlargement.

The president's toil and moil paid off on June 16 when the first-round poll was held.

Despite a low turnout, Yeltsin got 35.28 percent of the votes as against Zyuganov's 32.04 percent, which set the stage for Wednesday's showdown.

Russian election laws stipulate that if no candidates get 50 percent or more of the votes, a one-on-one runoff has to be held for the top two leaders within 15 days after the first round ends.

A kingmaker was now needed and retired general Aleksandr Lebed, third in the first-round elections, stood out the one.

Yeltsin demonstrated his political insight and dexterity by naming Lebed chief of the national Security Council and his personal security aide only one day after the elections.

The switch of Lebed's supporters, or 11 million voters, played the decisive role. So did the 5.55 million followers of liberal economist Grigoriy Yavlinskiy who, though a stern critic of Yeltsin, declined to vote for Zyuganov.

PRC: Russian Consulate General Hosts Independence Day Reception

SK0507061996 Shenyang LIAONING RIBAO
in Chinese 12 Jun 96 p 1

[FBIS Translated Text] On the afternoon of 11 June, Weltsink [as transliterated], consul general of the Rus-

sian Consulate General in Shenyang, and his wife hosted a reception at Shenyang's Phoenix Hotel to celebrate the Russian Federation's independence day.

Invited to the reception were Qi Zheng, vice chairman of the provincial people's congress standing committee, Gao Guozhu, provincial vice governor, Yue Weichun, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, leading Shenyang officials, and officials from relevant departments.

PRC: Jiang Zemin, Nazarbayev Sign Joint Declaration

OW0507112296 Beijing XINHUA in English
1056 GMT 5 Jul 96

[FBIS Transcribed Text] Almaty, July 5 (XINHUA) — Visiting Chinese President Jiang Zemin and his Kazakh counterpart Nursultan Nazarbayev today signed a joint declaration and agreed to set up a new type of good-neighborly relations looking toward the 21st century.

The friendly and cooperative relations between the two countries will not only benefit the fundamental interests of the two peoples but also help maintain peace, stability and promote development of Asia and the world at large, said the declaration.

The two countries pledged to implement their border demarcation accord signed on April 26, 1994, and agreed to continue negotiations on remaining problems.

Both sides spoke highly of the five-nation border agreement on confidence-building in the military field in border areas which was signed by China, Kazakhstan, Russia, Kyrgyzstan and Tajikistan in Shanghai, China in April 1996.

The two countries will take measures to implement the accord and accelerate the work on an agreement on mutual disarmament in the border areas.

They reiterated that they are firmly opposed to national separatism and will not allow any activities directing against the other on their respective territories.

China reaffirmed that it will provide Kazakhstan with security guarantees and support the efforts made by Kazakhstan to defend its independence, sovereignty and territorial integration [as received] and to maintain political stability and develop national economy.

Kazakhstan said it recognizes the government of the People's Republic of China as the sole legal government of China and Taiwan as an inalienable part of China. It promised not to maintain any official relations and contacts with Taiwan.

The two sides called for a complete ban and elimination of all weapons of mass destruction including nuclear weapons, and for the conclusion of the Comprehensive Nuclear Test Ban treaty as soon as possible.

They urged all nuclear powers to undertake not to use nuclear weapons first and not to use or threaten to use nuclear weapons against non-nuclear countries and regions.

On trade and economic relations, the declaration said the two countries have a great potential in this respect and that they will develop their trade and economic cooperation by taking the advantage of their geographical proximity and economic complementarity.

China will provide Kazakhstan with an aid of 3 million yuan (about 370,000 U.S. dollars) in commodities according to an agreement signed here today by Jiang and Nazarbayev.

The two presidents also signed other agreements on extradition, cooperation between Chinese and Kazakh banks, as well as on the quality ratification of imports and exports between the two countries.

East Europe

PRC: 'Full Text' of Joint Statement With Romania
OW0307122196 Beijing XINHUA Domestic Service
in Chinese 1609 GMT 1 Jul 96

[FBIS Translated Text] Bucharest, 1 Jul (XINHUA) — Chinese President Jiang Zemin, who is currently visiting Romania, and Romanian President Ion Iliescu signed a joint statement of the two countries at the Presidential Palace on 1 July. The following is the full text of the statement:

Joint Statement of the People's Republic of China and Romania

The PRC and Romania (hereinafter referred to as "both sides") satisfactorily pointed out that the two countries and their peoples enjoy traditional friendly cooperation and that both sides share a common understanding on a wide range of major international issues and are willing to continue to develop and strengthen the two countries' cooperation in various fields so as to benefit world peace and security. They issued the following statement:

I.

Mutual respect for national independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; equality and mutual benefit; and other universally acknowledged norms governing international relations are the basis for developing bilateral relations and relations with other countries. Both sides

reiterated their intention to observe the principles enshrined in the "Joint Statement of the People's Republic of China and Romania on Friendly Cooperation" signed on 12 July 1994.

Both sides share a political wish to develop friendly cooperation in various fields between the two countries and their peoples in the new international situation. The long-term, stable, and all-around consolidation and development of bilateral cooperation are in the interests of the two peoples and are conducive to world peace and development.

Both sides advocate respect for the inalienable right of people in various countries to determine their own destinies and to freely choose their political and economic systems and social development paths in light of the specific conditions of their countries.

In accordance with this principled stand, both sides reiterated their respect for the social and economic system and development path chosen by the other country.

The Romanian side reiterated that there is only one China in the world, which is the PRC; that the PRC Government is the sole legitimate government of all Chinese people; that Taiwan is an inalienable part of Chinese territory; and that the Taiwan issue is China's internal affair.

Romania upholds this principled stand and will not establish or develop official relations or have official contacts with Taiwan.

The Chinese side reiterated that the PRC respects Romania's independence, sovereignty, and territorial integrity and will never interfere with Romania's internal affairs.

II.

Both sides agreed to strengthen and expand political dialogue, including high-level dialogue, and supports contacts between the governments, parliaments, and mass organizations of the two countries and representatives of institutions and local departments so as to promote bilateral cooperation and coordinate the two countries' positions on international issues.

Both sides maintained that an important goal in bilateral relations is to vigorously develop bilateral trade and promote extensive economic cooperation. To this end, both sides will support direct contacts between companies, enterprises, and people in business circles from the two countries through relevant means in light of their countries' potential, so as to promote bilateral trade and develop cooperation in new industrial and technological projects.

Both sides emphasized that promoting and supporting joint investment in sectors of common interest, encouraging cooperation in third-country markets, and promoting cooperation in the financial field are of great importance to promoting bilateral economic relations.

Both sides take a positive view of the important roles of the annual meetings held alternately in each other's capital by the Economic and Trade Cooperation Committee of the Chinese and Romanian Governments, and of the economic forums and activities held by the committee with a view to promoting bilateral economic relations and trade.

Both sides will continue to support and encourage contacts and cooperation between the two countries in science research, technological development, environmental protection, culture, art, education, the press, tourism, and sports.

Both sides will continue to observe and honor the treaties and agreements signed by the PRC and Romania and encourages discussions and the signing of new agreements on areas of common interest.

III.

Both sides are determined to respect the foreign policies chosen by the other.

The Romanian side reiterated that Romania's integration with the European and Atlantic Ocean mechanism is its strategic choice. At the same time, it will continue to pursue the policy of developing cooperation with other countries in the world, including those in Asia and the Far East.

The Chinese side indicated its understanding of this choice of the Romanian side.

The Chinese side reiterated that China pursues an independent foreign policy of peace and is willing to establish and develop friendly cooperation with other countries on the basis of the five principles of peaceful coexistence and to work for the establishment of a new international political and economic order that is just and rational.

The Romanian side indicated its understanding of this policy of the Chinese side.

The Chinese side appreciates Romania's role in, and contributions to, safeguarding the cause of peace in Europe and in the rest of the world. The Romanian side appreciates the PRC's role in, and contributions to, safeguarding peace and security in Asia and in the rest of the world. Both sides are determined to continue strengthening the two countries' cooperation on the international scene.

Both sides reiterated that international relations should involve no recourse to force or the threat of force, and advocated the settlement of disputes between countries through peaceful means.

Both sides expressed full support for the strengthening of the United Nations' role in safeguarding regional and world peace and stability, in promoting the common development of countries, and in solving common problems facing mankind.

Both sides will actively cooperate in the fight against international terrorism, organized crime, and illicit drug and arms trafficking.

IV.

Both sides proclaim that the clauses in this statement will not affect the obligations undertaken by the two countries in their relations with third countries and that it is not targeted at any third country.

[Signed] Jiang Zemin, PRC President

[Signed] Ion Iliescu, Romanian President

[Dated] 1 July 1996 in Bucharest

PRC: Chinese President Discusses Bilateral Relations

AU0207115796 Bucharest VOCEA ROMANIEI
in Romanian 28 Jun 96 p 5

[ROMPRES-attributed interview with Chinese President Jiang Zemin; place and date not given: "When I Say Romania, I Think of Eminescu"]

[FBIS Translated Text] [ROMPRES] You are coming to Romania. How well do you know Romania? What can you tell us about the development of Romanian-Chinese bilateral relations in various areas?

[Zemin] Romania is not an unknown country for the Chinese people. When we utter the word Romania, many people in China immediately think of Mihai Viteazul, Stefan cel Mare [former rulers of Romanian provinces], and the great poet Mihai Eminescu, as well as the great composer Ciprian Porumbescu. At the beginning of the seventies, I worked in Romania for almost a year as head of the entire group of Chinese experts. Since then, I have had the opportunity to visit your wonderful country a few times. The beautiful landscape, the welcoming and diligent people, but mainly the particular feelings of the Romanian people for the Chinese people have made an unforgettable impression on me. This time, responding to an invitation extended to me by President Ion Iliescu, I am going to visit Romania again with the greatest joy.

In the past years, the international situation has changed a lot; however, the traditional relations of friendship and cooperation between our two countries have experienced and continue to experience a continuous development, through the consistent application of the basic principle of mutual respect, equality, and noninterference in domestic affairs. Contacts between the leaders of the two countries are frequent. Exchanges and cooperation between our countries in the political, economic, technical-scientific, cultural, and educational areas are developing continuously. Likewise, we are also cooperating very closely within international organizations. We are pleased with the current relations between China and Romania.

[ROMPRES] We would be happy Mr. President, if you could sketch for us the major characteristics, phenomena, and tendencies of the domestic situation in China.

[Zemin] Guided by Deng Xiaoping's thinking to build socialism with Chinese characteristics, our people have obtained remarkable achievements in the national economy and social development.

Concurrent with the sustained and rapid development of our economy, the country's economic potential has been increasing substantially. During the eighth 5-year plan, the GDP has increased yearly by 12 percent. In other words, in this 5-year period, the development rate is considered to be the most rapid since 1949, the year of the proclamation of the republic. In this way, our goal, that in the year 2000 the GDP will be four times higher than in 1980, was achieved five years earlier.

The reform of the economic structure has also attained substantial progress, and, thus, our economy has obviously stepped both on the path of market economy as well as of simultaneous socialization, and the structure of the socialist market economy is in the full process of formation.

We have achieved a general situation of opening towards the world and increased very greatly the level of foreign trade and the volume of foreign investments. In the years 1991 to 1995, the total volume of commercial exchanges exceeded \$1 trillion, which is double that of the 1986 to 1990 period. The effective volume of foreign investment has exceeded \$160 billion.

The people's standard of living has improved considerably, both in rural and urban areas. Science, technology, education, and other areas of activity have also developed accordingly. The socialist spiritual civilization and the judicial and democratic construction have also encountered progress.

Our country is determined to maintain a sustained pace of economic development, political stability, national unity, and social progress, and to treat the relations between reform, development, and stability in a lawful way. Therefore, in the next 5 years, we will continue to endeavor for sustained, rapid, and healthy development of our national economy. We will raise the per capita GDP by four times compared to the year 1980, while the population will grow by 300 million compared to 1980.

[ROMPRES] How do you think your country will look in the first few years of the next century?

[Zemin] China entered the 20th century with the humiliation imposed by the imperialist powers. After a lengthy struggle, the Chinese people succeeded in putting an end to the domination and oppression by the imperialism, feudalism, and bureaucratic capitalism prevailing in our country. Through the sustained efforts made over scores of years to build the country, and particularly by applying the policy of reform and opening towards the outside world, China's appearance has changed radically in the past 17 years.

At the end of this century and the beginning of the next, China will enter an important phase characterized by the continuation of the policy of reform and openness, as well as socialist modernization. At a general level, there are chances for the preservation of a peaceful international atmosphere and good relations between our country and the neighboring countries, something that will offer us the possibility to concentrate all our forces on economic construction. The technical-scientific progress recorded in the world, the restructuring of economic sectors, and the high pace of economic development in Asia and the Pacific region offer favorable conditions for economic development in China. Our major objectives for the next 15 years are: to continue to preserve an atmosphere that is favorable for economic development, political stability, national unity, and social progress; to promote the development of the national and socialist economy, while seeing to it that the quality of the national economy in general increases substantially, that international competitiveness increases considerably, and that the social productivity, the country's general force, and the people's standard of living rise to a new and important level. By the year 2010, we plan to double the GDP compared to the level at the end of the current century.

[ROMPRES] Could you please define China's preoccupation in the area of international relations. How do you see the role of your country in your region and in the international arena?

[Zemin] China is promoting a peaceful, independent, and self-governing foreign policy that aims to safeguard

independence, sovereignty, and territorial integrity, to ensure an international atmosphere that is favorable to reform and openness towards the world, to preserve peace in the world, and to jointly promote human development. In our relations with other countries, we promote the following five principles: mutual respect for sovereignty and territorial integrity, nonaggression, noninterference in domestic affairs, equality and mutual benefit, and peaceful coexistence. On the basis of these principles, we establish and develop our relations of friendship and cooperation with all countries of the world. We speak out against hegemony.

[The interview as published by VOCEA ROMANIEI, the official government newspaper, ends at this point. The independent Bucharest CURIERUL NATIONAL in Romanian on 28 June on page 6 publishes the same ROMPRES interview, otherwise identical, in which Zemin continues as follows:

"and a policy of force, against the humiliation of poorly developed countries by the strong countries,

and against rich countries offending poor countries. Likewise, we speak out for the installation of a new political and economic international order of peace, stability, equality, and reason.

"China is a UN Security Council permanent member. Being aware of the responsibility and duties incumbent on it, our country has played an active role in preserving peace and stability in the region and the world. As a country in full process of development, with a population of 1.2 billion inhabitants, able to solve its own problems adequately, and able to maintain political stability inside the country and ensure a continuous economic development and a permanent upward course of its people's standard of living, China, through all this, will undoubtedly make a major contribution to peace and development both in the region and in the entire world."]

Political & Social

PRC: Xing Benshi: Demarcate Marxism, Anti-Marxism

HK2606035796 Beijing RENMIN RIBAO in Chinese
6 Jun 96 p 9

[Article by Xing Benshi (6717 0292 1835): "Never Waver in Upholding Marxism—Drawing a Clear Line of Demarcation Between Marxism and Anti-Marxism"]

[PTS Translated Text for FBIS] At several important meetings held recently, Comrade Jiang Zemin pointed out the need to draw several major lines of demarcation. Of these, the first is the demarcation line between Marxism and anti-Marxism. He indicated that it is highly necessary to draw these demarcation lines, while the distinction between Marxism and anti-Marxism is particularly important. This is because Marxism is the foundation underlying all our efforts to build the party and the country, and any irresolution and wavering over our attitude toward Marxism will shake the foundation of our cause.

The importance of distinguishing Marxism from anti-Marxism also lies in the fact that in today's China there indeed exists an ideological trend of distrusting and opposing Marxism from various angles. This is not at all surprising. Today's new society was born out of the old semi-colonial and semi-feudal society; and though the socialist system of our country has been established for four decades, the ideologies, concepts, and forces of habit of the old society have never been stamped out; instead, they often float up as the dregs of society. In recent years, we have also suffered from certain negative factors under the conditions of reform and opening up, as well as from the interference of certain adverse influences under the conditions of a market economy; and this is also the cause of the ideological trend of distrusting and opposing Marxism. The existence of such an ideological trend is not fearful; what we should fear is people's ignorant and apathetic reaction to such an ideological trend, as well as moves to incorrectly relay an erroneous message, give incorrect guidance, and lead people astray.

The present is a crucial moment for the cause of building socialism with Chinese characteristics. The grand cross-century blueprint of our country has been drawn up, and the whole party and the people of all nationalities of the entire country are striving for the realization of this grand program under the leadership of the party Central Committee with Comrade Jiang Zemin as the core. At such a moment we must never waver in upholding Marxism; remove interference of all kinds; make more active and effective efforts in promoting the country's economic construction so as to bring

about comprehensive progress to society in line with the unified arrangements of the party; and guide a rich and strong, civilized, and democratic socialist China into the 21st century!

There Should Be a Correct Coordinate [zuo biao 0976 2871] for Efforts To Draw a Clear Demarcation Line Between Marxism and Anti-Marxism

Marxism is a developing science which was born in the forties of the last century. During the past some 150 years since its birth, though some of its basic principles still prove applicable up to today, a considerable number of its principles have undergone tremendous changes with the changes of the times and the development of practice. Therefore, there is a certain difficulty in drawing a demarcation line between Marxism and anti-Marxism. Here, we are faced with the issue of what kind of a coordinate we should choose. Since it is a developing science, Marxism should not be solidified or dogmatized. We should judge the truth of Marxism by the long process of history, not by certain expositions made by writers of Marxist classics in particular places at particular times. Even the principles which still prove applicable today should not be copied mechanically, but put into use in the light of new situations and on the basis of summarizing new experiences. Comrade Deng Xiaoping has indicated in "Putting an End to the Past and Opening a New Prospect": "There has been confused understanding as to what changes Marxism has actually gone through over the past century since the death of Marx and how we should comprehend and develop Marxism. We should not by any means require Marx to provide ready-made answers to questions arising during the 100 years or several hundred years after his death. Neither can we expect Lenin to undertake the task of giving ready-made solutions to problems emerging during the 50 or 100 years after his death. A true Marxist-Leninist must comprehend, carry forward, and develop Marxism-Leninism in the light of the situation of his time." "The reason Lenin is considered a true great Marxist is that he found the road of revolution not from books, but from reality, logic, philosophical thinking, and communist ideals, and finally won the October Revolution in a backward country. China's great Marxist-Leninist Mao Zedong did not look in the books of Marx and Lenin for ways to win the new-democratic revolution in a backward China. Could Marx possibly have predicted a successful October Revolution in a backward Russia? Could Lenin possibly have predicted that China would win the victory by way of surrounding the cities from the countryside?" "This truth applies to revolution, and also to construction."

Among a number of expositions of Marxism during its formative period, some are universal truths, which have proved applicable up to this day and should undergo a continued development; some are partly invalid and partly applicable at the present time, and should be supplemented and developed in the light of new situations and on the basis of summarizing new experiences; while others have become totally inapplicable and should not be upheld today. Why have certain principles in Marxist theory become inapplicable to today's practice? This is not at all surprising, for Marx and Engels used to predict that socialism would first succeed in a highly developed capitalist country. Practice at a later time proved, however, that socialism can first succeed precisely in relatively backward countries, such as China and Russia. That is why many situations have emerged that are different from the original predictions of Marx and Engels. For example, Marx and Engels used to assume that after the victory of socialist revolution, all means of production would be directly possessed by the society and no other ownerships would be allowed to coexist with public ownership. This principle is still basically applicable in our country, but needs to be further supplemented and developed. This is because practice has proved that following the success of socialist revolution in a backward country, there will inevitably be an historical period characterized by the coexistence of multiple economic elements, and that any move to speed up this process will end up in sabotaging the productive forces. Shortly after the October Revolution, Lenin analyzed the economy of Russia at that time, and explicitly pointed out the five economic elements existing there. Prior to the socialist transformation, Chairman Mao made a scientific analysis of China's economic situation, and pointed out that though they also existed in China, the five economic elements were different from those in Russia during Lenin's time. What he meant was that contrary to the assumption of Marx and Engels in their time, the practice of all means of production being possessed by the society cannot be turned into reality in backward countries immediately after their victory of socialist revolution. Therefore, the thesis of Marx and Engels on public ownership was a correct one, yet it needed to be supplemented and developed by the practice of various countries at a later time; otherwise, it would have led to mistakes. Both Russia and China have learned lessons and gained experience in this respect. Take, for example, the issue of distribution. Marx and Engels believed that in the future socialist society, all distribution forms would follow the principle of "to each according to his work." Marx pointed out in "Criticism of the Gotha Program" that a socialist society would practice the principle of "to each according to his work" for a considerably long period. He also

indicated that the practice of "to each according to his work" did not, in essence, go beyond the scope of bourgeois power, for it was still based on the principle of exchange of equal value. Our experience at a later time has proved, however, that the practice of "to each according to his work" can only be regarded as a dominant distribution form which needs to be complemented by other distribution forms. Another example is the issue of planning and the market. Marx and Engels believed at the time that a socialist society would not need a market mechanism, for society would directly distribute its products among its members; and its members did not need to realize the exchange of labor among themselves by means of exchange of commodities through the market, and money would therefore prove unnecessary. This thesis was proved inapplicable at a later time by the practice of Russia and China. One of the important points in Deng Xiaoping's theory is that he has scientifically elaborated the fact that commodity production, the market mechanism, and the circulation of money are all indispensable in a socialist society.

We can thus see from the above analysis that the coordinate for our efforts to distinguish Marxism from anti-Marxism must be based on a developed Marxism, which in today's China means the theory of Deng Xiaoping on building socialism with Chinese characteristics. This theory has not only carried forward the universal principles of Marxism and Mao Zedong Thought, but also brought about the creative development of such principles in the light of China's national conditions. Comrade Jiang Zemin noted at a public lecture on the study of the third volume of the "Selected Works of Deng Xiaoping": Over the past 15 years of reform and opening up, the establishment of the theory on building socialism with Chinese characteristics has proved the biggest theoretical gain of our party in the midst of its second historic leap in integrating the basic principles of Marxism with China's reality. This theory has preliminarily, for the first time, given a systematic answer to a series of basic questions as to how an economically and culturally backward country like China can build up socialism, and in what ways it can consolidate and develop socialism; moreover, the theory has carried forward, enriched, and developed Mao Zedong Thought with new thinking and concepts, given expression to China's latest achievements in integrating Marxism with its reality, and is therefore the Marxism of modern China. That is why Deng Xiaoping's theory is considered the only correct coordinate for today's distinction between Marxism and anti-Marxism.

To Draw a Clear Line of Demarcation Between Marxism and Anti-Marxism, We Must Master the Scientific System of the Marxism of Modern China

Deng Xiaoping's theory of building socialism with Chinese characteristics is the Marxism of modern China. Our study of the scientific system of Deng Xiaoping's theory should be focused on the mastery of three main points, namely, one quintessence, one intrinsic quality, and one nucleus. *One quintessence refers to the need for "emancipating the mind and seeking truth from facts," and this is the philosophical foundation of Deng Xiaoping's theory.* The integration of emancipation of the mind and the practice of seeking truth from facts means the integration of dialectics and materialism. Comrade Deng Xiaoping indicated in "Upholding the Party's Line and Improving Our Work Methods": By stressing the need to emancipate the mind, we mean to break through the shackles of habit and subjective prejudice, study new situations, and resolve new problems under the guidance of Marxism. He also noted in "Emancipating the Mind, Seeking Truth From Facts, and Forging Ahead in Unity" that seeking truth from facts is the foundation of the world outlook of the proletariat, and also the ideological foundation of Marxism. In the past, we relied on the practice of seeking truth from facts for the victory of our revolution; today, in our efforts to realize the four modernizations, we also need to rely on the practice of seeking truth from facts. Speaking of the mutual relationship between the emancipation of the mind and the practice of seeking truth from facts, Comrade Deng Xiaoping indicated in "Implementing the Principle of Readjustment, and Ensuring Stability and Unity": Emancipation of the mind means making ideas conform to reality, and making the subjective world conform to the objective world; and this exactly means seeking truth from facts. On the issue of conformity between subjectivity and objectivity and between theory and reality as advocated by Marxism, the objectivity mentioned here is itself a constantly changing and developing thing and never stands still. Therefore, such a conformity between subjectivity and objectivity and between theory and reality is not only dialectics but also materialism. Emancipating the mind and seeking truth from facts is the ideological line of our party, and success or failure in upholding this ideological line serves as a fundamental ideological guarantee for us to win the victory of revolution and construction.

From a review of the series of achievements attained by the people of the whole country under the leadership of our party since the smashing of the "Gang of Four," especially since the Third Plenary Session of the 11th CPC Central Committee, we can easily comprehend the great significance of reestablishing the ideological

line of emancipating the mind and seeking truth from facts. At the time when the "Gang of Four" had just been smashed, the economy of our country was on the brink of collapse; all social undertakings had been seriously sabotaged; and, in particular, our people had been thrown into ideological confusion and found it hard to tell truth from error, right from wrong, or the true from the false. At a time when everything was waiting to be taken up, from where should we start our work, which proved to be a multitude of strands and loose ends? What showed the wisdom of Comrade Deng Xiaoping was that he gave first priority to the reestablishment of the party's ideological line, for he knew that failure to resolve this problem would lead to failure in settling all other problems. Take, for example, the shift of our work focus. For many years in the past, we had taken class struggle as the key link, regarding it as perfectly justified and the most fundamental principle of Marxism; therefore it was very hard for us to change this concept. Another example is how we were going to evaluate the Great Cultural Revolution. Was it a good movement or a disaster? A conclusion of overall negation at the time entailed tremendous political and theoretical courage. This was because negating the Great Cultural Revolution would inevitably involve the later years of Mao Zedong, which was a big taboo at the time. Moreover, without the ideological line of emancipating the mind and seeking truth from facts, could we possibly have reexamined a large number of cases involving unjust, false or wrong charges, such as the cases of Peng Dehuai and Liu Shaoqi, and reversed the verdicts that had been passed on them? Therefore, though faced with many tasks, we had first to straighten out our ideas. Without straightening out the ideological line, we could not possibly have resolved these problems; and without resolving these problems, we could not possibly have given form to the theory of building socialism with Chinese characteristics. Only by establishing the ideological line of emancipating the mind and seeking truth from facts could we remove such ideological obstacles as the "two whatevers," and could we gain a clear understanding on the building of socialism with Chinese characteristics.

One essence refers to the essence of socialism as summarized by Comrade Deng Xiaoping: Liberating and developing the productive forces, eliminating exploitation and polarization, and reaching the ultimate goal of common prosperity. Some comrades may ask why Comrade Deng Xiaoping did not mention the need to uphold the fundamental system of socialism, the people's democratic dictatorship, or socialist public ownership here? This is because Comrade Deng Xiaoping has talked about these issues repeatedly in his other articles, and there is no divergence of views on these

issues within the party. To uphold socialism, we should naturally uphold the fundamental system of socialism, uphold the dominant position of public ownership, and uphold the people's democratic dictatorship. The point is that with all these, we are still unable to fully reflect the essence of socialism. Comrade Deng Xiaoping has indicated that we need to develop the productive forces, uphold and perfect socialist public ownership, allow certain regions and a certain number of people to get rich first, guard against polarization, and finally reach the goal of common prosperity; and this is called socialism. That is to say, with the establishment of public ownership, with the system of distribution according to one's work, and with the political power of the people's democratic dictatorship, a socialist society cannot be considered perfect or qualified if it fails to liberate and promote the productive forces, and to attain the goal of common prosperity in particular. This is exactly the issue we are confused about. Comrade Deng Xiaoping has noted that a socialist society should be wealthy, and that poverty is not socialism. In particular, he has stressed the point that the wealth of socialism is the wealth of the whole people; and has reiterated that we should not fear to talk about the issue of getting rich, for what is crucial is who will get rich. The wealth of capitalism is the wealth of a minority of people as well as the wealth of big capitalists, while the wealth we are talking about is the wealth shared by the whole people. This is the most fundamental difference between socialism and capitalism. As regards how the goal of "bringing about common prosperity for the whole people" can be turned into reality, Comrade Deng Xiaoping has given a clear definition: On the one hand, we should have the condition concerning the productive forces, that is, liberating and developing the productive forces; and on the other hand, we should have the condition concerning production relations, that is, eliminating exploitation and polarization. Only with guarantees in these two aspects can we bring about common prosperity for the whole people. The five-sentence remarks summarized by Comrade Deng Xiaoping have guided us out of the erroneous zone wherein we suffered from confused understanding on socialism for many years. His five-sentence remarks do not at all contradict the fundamental system of socialism. Comrade Deng Xiaoping has noted: We should continue to carry out the practices which proved effective in the past, especially the fundamental system—the socialist system; and should never waver in upholding socialist public ownership. He has also indicated that both the dominant position of public ownership and common prosperity constitute the fundamental socialist road that we should follow with persistent efforts. We should not develop the misunderstanding that the five-sentence remarks summarized by Comrade Deng

Xiaoping fail to embrace the content of the fundamental system of socialism. As a matter of fact, elimination of exploitation and polarization is closely linked with the socialist system. Can a capitalist system possibly eliminate exploitation and polarization? The key reason he has laid this special stress is that we failed in the past to regard common prosperity as the most essential aspect of socialism.

One nucleus refers to "one center, two basic points." This is not only the basic line of our party, but also the heart of Deng Xiaoping's theory of building socialism with Chinese characteristics. If we say that Deng Xiaoping's theory is a grand mansion, then "one center, two basic points" are the cornerstone of this grand mansion, that is, the most fundamental part of his entire theoretical system. By stressing one center, we mean the practice of centering around economic construction, for which the whole party has paid a high price. In the wake of the Third Plenary Session of the 11th CPC Central Committee, under the guidance of Comrade Deng Xiaoping, the whole party has gradually reached the consensus that "with the issue of ownership well settled, the most fundamental and principal task facing socialism is to develop the productive forces." That is why we should unwaveringly center our work around economic construction. The idea of two basic points was also put forward by Comrade Deng Xiaoping in his summarization of the country's experience in construction over the past several decades. The practice of centering our work around economic construction cannot be turned into reality without the political guarantee of the Four Cardinal Principles, or without the guarantee of reform and opening up. Therefore, one center and two basic points are an integrated whole, which cannot be divided at any time. We should guard against a situation wherein the Four Cardinal Principles, the issue of orientation and road, and socialist spiritual civilization are put entirely out of the mind at the mere mention of economic construction. At the same time, we should not forget the central task of economic construction once the need to uphold the Four Cardinal Principles is stressed. Economic construction is the center of all the facets of our work; and the two basic points, namely the Four Cardinal Principles and the practice of reform and opening up, should be subordinate to and serve this center. The central task of economic construction cannot be successfully carried out without the two basic points, namely the Four Cardinal Principles and the practice of reform and opening up. On the other hand, the two basic points themselves are also interrelated and mutually dependent, and need to be incorporated into the practice of realizing the country's modernization drive and building socialism with Chinese characteristics.

Comrade Jiang Zemin has talked about the significance of stressing politics on many recent occasions. Since we are now at a crucial moment for building socialism with Chinese characteristics, it is totally correct for comrades in all localities, especially leading comrades, to devote great efforts to economic construction. However, while paying close attention to promoting economic construction, a small number of comrades have overlooked the importance of politics. Just as Comrade Jiang Zemin has pointed out, there indeed exists a minority of people who have failed to comprehend, or to understand correctly, the requirement put forward by the central authorities regarding the need to stress politics. Comrade Jiang Zemin has noted: Our requirement for leading cadres to stress politics will by no means affect the central position of economic construction, neither do we have any intention to replace economics with politics. Much to the contrary, we aim to create more sufficient conditions and provide a more powerful political guarantee for economic construction, and ensure that the people of the whole country can set their minds on promoting the country's economic construction. Persistently centering our work around economic construction has become a firm consensus of the whole party, and should always remain unshaken. These remarks by the general secretary carry great weight.

To Draw a Clear Line of Demarcation Between Marxism and Anti-Marxism, We Must Eliminate Interference From Both the "Left" and the Right

Erroneous ideas from the "left" or the right, no matter how serious an influence they may have, are all interferences in our implementation of both Deng Xiaoping's theory and the party's basic line and principles. At present, under the pretext of "no arguments," an idea advocated by the central authorities, some people are spreading a number of erroneous concepts in bold and straightforward terms. In fact, there is a precondition for the idea of "no arguments": We should never allow erroneous ideas to interfere in our building of socialism with Chinese characteristics. The idea of "no arguments" as advocated by the central authorities was aimed at preventing pointless arguments. In those days, there were divergent views over the establishment of special economic zones, such as the Shanghai Pudong Development Zone. Some people held the view that establishment of such zones meant capitalism. Comrade Deng Xiaoping said: We should not engage ourselves in arguments, otherwise we will be fettered once such arguments start. People should have the courage to try what they think is right, then sum up experiences they have gained, and abolish practices that are proved incorrect. Some people enjoy creating pointless arguments with others; as a result, they waste a lot of time, make

no progress in their work, and fail to accomplish the work they should accomplish. This brings no benefit to either the country or the people. On the other hand, however, we do not mean to say that there have emerged fairly conspicuous interferences in the overall situation and that we are now shutting our eyes to such interferences. We should undertake the task of being fighters on the ideological and theoretical fronts, and oppose any erroneous trend from either side which proves to have interfered in the overall situation. Force of habit serves as a foundation for things from the "left." At present, things from the "left" mainly take the form of distrusting new things emerging during the process of reform and opening up. In Comrade Deng Xiaoping's words, some people still yearn for the past, with the belief that everything in the past was good. It is true that force of habit constitutes the foundation of the "left"; however, we should not simply equate force of habit with the "left." Another point we need to point out is that certain people tend to frighten others by affixing labels; and posing as Marxists, they will accuse people of opposing Marxism when criticized. Of course, we should also take earnest steps to prevent any criticism of Marxism, and criticizing Marxism in the struggle against the "left" has proved the usual trick employed by the advocates of bourgeois liberalization. Their so-called struggle against the "left" is actually a struggle against Marxism.

During a recent period, some people from academic circles have advocated the idea of opposing radicalism, with the belief that the ideological trend of radicalism has always got the upper hand in China's contemporary history, starting from the time of Tan Chih-tung. According to them, if Sun Yat-sen had not started the Revolution of 1911, China's modernization drive might have already been turned into reality, and the new-democratic revolution led by Mao Zedong would not have succeeded. From this they draw the conclusion that we should part with revolution. They claim that revolution, a term which has always been considered commendatory in the past, should actually be regarded as derogatory. Looking at the world as a whole, countries which used to practice reform have all benefited from reform; yet among those taking the road of revolution, none today seems to enjoy an ideal situation. Both Britain and France were involved in bourgeois revolutions, and that is why these two countries can never be ranked among the first-class ones in the western world. The final conclusion they draw is that there is a need at the present moment to replace political radicalism with cultural conservatism; and the ultimate purpose of doing this is to eliminate the mainstream ideology, namely Marxism. Such a criticism of the "left," which aims at eliminating the mainstream ideology of Marxism, is unacceptable to us.

To safeguard Marxism, Mao Zedong Thought, and Deng Xiaoping's theory, we must eliminate interference from "left" and right. At the same time as we are opposing erroneous ideological trends, we should see to it that we can by no means return to the old road which failed to distinguish academic activities from politics. In academic and theoretical circles, such a practice has done great harm to many people and its shadow still lingers to this day. Several large-scale arguments in the past did bring great harm to a large number of people, and ended in accusing Comrade Yang Xianzhen, president of the Central Party School, of being an anti-Marxist. People should not rashly put political labels on others just because the latter have different academic views. We must distinguish academic activities from politics, and avoid defining divergent academic and theoretical views as political issues and then putting labels of "left" or right on others. Instead of referring to concrete disputes of a general nature over the right and the wrong of theoretical issues, our struggle against "left" or right is aimed at practices which distrust and oppose the fundamentals of our basic theories, basic line, and basic principles. That is also why we need a coordinate, base our criticism on facts, observe proper restraint, see to it that our criticism is reasonable, and refrain from bludgeoning people at random, still more from exaggerating others' mistakes to the maximum.

At present, there indeed exist divergent views over a number of major theoretical and realistic issues, among which some are disputes over academic and theoretical issues while others have gone beyond the academic and theoretical scope.

First, the issue of ownership.

Ownership still remains a very big issue these days. In dealing with this issue, we should take Deng Xiaoping's theory as our coordinate, and oppose two concepts. One is the concept of negating the dominant position of socialist public ownership. Some people say that state-run enterprises are now hopeless, and the only way to help them is privatization. This is an erroneous concept, for without public ownership occupying a dominant position we cannot start to talk about socialism. The other is the concept of equating the realization forms of certain state-run enterprises, such as the joint-stock system, with the private system. Comrade Deng Xiaoping has given his agreement to the practice of the joint-stock system, while the policies of the central authorities have also allowed efforts to experiment with the system. Of course, there is no need to spread such a system, or transform all state-run enterprises into joint-stock ones. The "Corporation Law," which has been adopted by the Standing Committee of the National People's Congress, is one of the country's major laws, which stipulates

that joint-stock companies with limited liabilities can be set up. Therefore, how can one claim that the practice of the joint-stock system means private ownership? At present, state-run enterprises are faced with a grim situation wherein they make large losses. To counter this situation, we should act in accordance with the remarks Comrade Jiang Zemin made recently in Shanghai, observe the criterion of "three beneficiaries" put forward by Comrade Deng Xiaoping, and take great pains to explore the road for state-run enterprises to deepen reform. In short, on the issue of ownership, we should unremittingly make our work accord with the principles drawn up by the central authorities, and take the road of introducing a modern enterprise system. The central authorities have now laid special stress on two changes, one being the change in mechanism and the other the change in growth pattern. We still have a long way to go, and need to do a great deal of work, before we can facilitate the change in mechanism.

Second, the issue of distribution.

China's present distribution pattern is one which mainly relies on the principle of "to each according to his work" and which allows the coexistence of various other distribution forms. One fairly big issue we are faced with at the present moment is the gap in distribution, while another issue is the equalitarian practice of "everybody eating from the same big pot." Both issues have been talked about for many years, yet problems in many units remain rather serious. This means that those with talents and who make contributions do not receive better remuneration than ordinary people, or the disparity in treatment is very limited or practically nil. We should oppose the distribution pattern of excessive disparity, yet we also need to oppose the equalitarian practice of "everybody eating from the same big pot." A reasonable disparity should be allowed. The difference between the remunerations received by a famous scientist and by ordinary people does not mean inequality in personality. The contribution of an individual should be reflected in his remuneration, and this is called the integration of fairness and efficiency. Some people believe that the serious problem of polarization currently existing in distribution has given rise to a new bourgeois class. It is true that we need to sharpen our vigilance against unreasonable phenomena concerning people's incomes and work out countermeasures; however, we cannot say that a new class, however defined, has emerged in China. Of course, we can probe a number of problems, such as the large number of "people with big money" and the large scale of privately owned enterprises with capital of hundreds of millions or tens of billions of yuan. Studies need to be conducted on how we should view such situations.

Third, the relationship between efforts to persist in the practice of reform and opening up and efforts to uphold the orientation of socialism.

The fundamental system of socialism is something we must persist in. This is also something Comrade Deng Xiaoping has repeatedly urged us to do, and we should never doubt or waver on this issue. On the other hand, neither we should doubt or waver on upholding the principle that our socialism must take the road of reform and opening up. Without reform and opening up, our socialism will have no hope of success. Therefore, the two should be well integrated. We should make clear that our socialism is a socialism of reform and opening up, and our reform and opening up is a socialist reform and opening up. We should say both things, not one only. It will not do to negate reform and opening up with socialism, neither is it right to negate socialism with the practice of reform and opening up and with the market economy.

Four, the relationship between planning and market.

After summing up the experience we have accumulated over many years past, Comrade Deng Xiaoping has paid close attention to the fundamental issue of shifting from a planned economic system to a market economic system. This is also the first change of the two changes currently stressed by the central authorities. On the one hand, the socialist market economy we are now practicing shares some characteristics with the capitalist market economy; yet on the other hand, our market economy differs from the capitalist market economy. First, we mainly rely on public ownership. Second, we enjoy the macrocontrol and regulation of a socialist country. We should not lose hold of these two conditions, for without them, ours will no longer be a socialist market economy. At present, there are diverse views on macrocontrol and regulation. What we should do is resolutely uphold the decisions of the central authorities. This is because under market economic conditions, it will be very dangerous if we allow the market mechanism to play its role blindly without the guidance of macrocontrol. Moreover, China is a big country; if each locality or department acts on its own, many problems will become unsolvable. Comrade Jiang Zemin has stressed on many occasions that localities and departments are allowed to make appropriate alterations to the unified policies of the central authorities in light of their local conditions. However, this does not mean the malpractice that higher authorities have policies while localities have their countermeasures. We should adopt an overall point of view, and refrain from laying undue stress on the particularities of our own locality or department. This is a requirement of the overall situation, and also

a requirement of building socialism with Chinese characteristics.

PRC: CPC Official's RENMIN RIBAO Article Hails 'External Links'

OW0307110896 Beijing XINHUA in English
1028 GMT 3 Jul 96

[FBIS Transcribed Text] Beijing, July 3 (XINHUA) — The Communist Party of China (CPC), celebrating its 75th birthday, has expanded its external links, which is closely connected with the development of diplomatic relations of the country as a whole, a top official has said.

For many years, the CPC has used its links with political parties of foreign countries to pave the way for formal diplomatic ties between China and many other countries, said Li Shuzheng, head of the International Liaison Department of the CPC Central Committee.

The CPC's external links have ushered in a new phase, as political party diplomacy has been playing a unique role in the development of the overall diplomacy of the country, said Li in an article carried in today's People's Daily to mark the 75th anniversary of the founding of the CPC.

Ever since its founding in 1921, the CPC has attached importance to developing its overseas links, gaining sympathy and support from the overseas friends, while voicing support for the just cause of people in the world, Li said.

Particularly after the Third Plenary Session of the 11th CPC Central Committee in 1978, the Party has made major readjustments to its policy on external work, to meet the needs and changes of the internal and external situations.

The readjustments have greatly advanced the Party's external links, and allowed its external work to continue to play a unique role in serving China's modernization drive, Li says.

The role of political parties has become more conspicuous in the post-Cold War years, in which political parties in many countries have undergone great realignments and major reorganizations, Li said, adding that in several countries some influential and long-time ruling parties have lost political power, or have even been dismissed, while many new political parties have cropped up like "Bamboo Shoots After Spring Rain."

Taking advantage of the situation, the CPC has actively engaged in establishing links in various forms with both the old and the new political parties in all countries, thus enhancing mutual understanding and cooperation, and

exerting a unique role in helping stabilize and develop state-to-state relations, Li said.

In promoting its external links, the CPC has adhered to the principles of not intervening in the internal affairs of the other parties and the countries, and respecting the choice of other parties in determining the development road of their respective countries, Li stressed.

CPC has so far established links with more than 300 political parties in 120 countries and regions, Li noted.

CPC's external links have also contributed to restoring or improving China's relations with other countries, and to forging formal diplomatic ties with some countries through establishing political party links first, Li said.

The Party's external links with political parties in foreign countries which have not yet formed diplomatic relations with China have proved to be of great advantage in bridging country-to-country relations, She noted.

Li cited the example of the CPC's links with political parties in many Latin American countries, which resulted in the establishment of diplomatic ties. At the moment, CPC has established links with 24 political parties in 10 Latin American countries which have no diplomatic ties with China, she said, adding that CPC has also sent delegations to visit eight of the 10 countries. This has helped establish close relations between senior party, government and parliamentary leaders in China and the countries, Li noted.

CPC's external links have also proved helpful and effective in promoting Sino-Foreign economic and trade relations. In the world today in which economic factors are playing increasingly important role in international relations, the CPC, like many political parties in other countries, has a strong desire to strengthen China's economic cooperations with other countries through party-to-party links, or through establishing links between economic entities affiliated to certain political parties, Li said.

In this aspect, Li added, the party's external links have done a great deal to bridge Chinese and overseas enterprises, introducing foreign capital to China and importing technology and technical personnel.

At present institutions and the economic liaison center, under International Liaison Department of the CPC Central Committee, have established business links with more than 140 firms in 81 countries and regions, she disclosed.

With changes both in domestic and international situations, especially since the Third Plenary Session of the 11th CPC Central Committee, Li noted, the CPC

has greatly adjusted its purposes, guidelines and policies governing the party's foreign exchanges.

At the 12th CPC National Congress, she said, the principles of "self-independence, complete equality, mutual-respect and non-interference in each other's internal affairs" were formally put into the party's constitution.

These principles were further defined as guidelines for party-to-party relations at the 13th CPC National Congress.

These principles undoubtedly have shown clearly the direction and explored a broad prospect for the foreign exchanges of the CPC, she said.

Li pointed out that the starting point of the principles is that party-to-party relations should follow the spirit of seeking common grounds, while reserving differences, and social systems and ideology should not be a prerequisite for such relations.

The main purpose of developing party-to-party relations is to conduct cooperation on issues such as peace and development, as well as to promote country-to-country ties, instead of imposing one's ideology on others, or interfering in internal affairs of other nations, she said.

The CPC has successfully maintained and developed its relations with parties with different ideologies by setting aside divergences through concerted efforts, she noted.

PRC: Jiang Zemin Visits Bucharest Heavy Machine-Tool Plant

OW0307132396 Beijing XINHUA Domestic Service in Chinese 1548 GMT 1 Jul 96

["Feature" by XINHUA reporters Zhang Hanwen (1728 3352 2429) and Ju Mengjun (0215 1322 6511): "President Jiang Zemin Revisits Heavy-Duty Machinery Plant"]

[FBIS Translated Text] Bucharest, 1 Jul (XINHUA) — Despite the sizzling summer heat in Bucharest under the scorching sun at noon today, PRC President Jiang Zemin visited the Bucharest Heavy-Duty Machinery Plant, disregarding the fatigue from days of tight-schedule tours.

Located at Bucharest's southern suburb, the heavy-duty machinery plant is a large enterprise producing metallurgical, electrical, chemical-industrial, mining, shipping, and railway equipment. Jiang Zemin visited this reputable plant when he was working in Romania during the early 1970's. He was very glad to be able to visit this plant again today.

When President arrived in the plant in the company of Romanian Foreign Minister Melescanu, the plant's leaders and workers accorded him a warm welcome. The plant's president, Kan Huoduroca [name as transliterated], greeted President Jiang at the plant's entrance. As soon as he saw Jiang Zemin, he happily said to him: "We should say 'welcome' to you for the second time because you visited us before." He added: "President Jiang is an old friend of Romania and an old friend of our plant."

Huoduroca then briefed President Jiang on the plant's situation. The Bucharest Heavy-Duty Machinery Plant is a large machinery manufacturer in Romania built in 1963. The plant's production has substantially developed in recent years and its products are exported to many places around the world. President Jiang was pleased with the plant's development. He said: "I know your plant's past, and I am also very interested in knowing your current situation."

In the broiling hot forging and pressing workshop, President Jiang showed great interest in watching the major operating procedure, and asked questions in English about the workshop's equipment and products. Pointing at a hydraulic press, which is nearly 40 meters high, Huoduroca said: "We built this 12,000-tonnes hydraulic press ourselves. It can forge large, 350-tonne castings." When he heard this, President Jiang responded: "Good! Good!"

Then Jiang Zemin visited the machinery processing workshop. He stopped in front of a row of modern machine-tools and talked with Mr. Huoduroca on their functions and efficiency. When a reporter asked what they were talking about, a Romanian aide answered: "Only experts understand what they are talking about."

Toward the end of the visit, Jiang Zemin inscribed this message at the visitors' book: "I hope the Bucharest Heavy-Duty Machinery Plant will contribute even more to Romania's economic development." Then the host presented Jiang Zemin with a handicraft called "non-polar column" [wu ji zhu 2477 2817 2691] created by a Romanian sculptor. Mr. Huoduroca said: "'Non-polar column' means that both the world and knowledge are boundless." President Jiang reciprocated with a lacquer tray with the picture of the Chinese Great Wall engraved on it. The host indicated understandably: This shows that Romanian-Chinese friendship is as indestructible as the Chinese Great Wall."

PRC: Jiang Zemin on Establishing Ranks of 'High Quality Cadres'

OW0307093096 Beijing XINHUA Domestic Service in Chinese 0819 GMT 24 Jun 96

[FBIS Translated Text] Suzhou, 24 Jun (XINHUA) — To carry out Comrade Jiang Zemin's important speech on "Striving to Establish Ranks of High Quality Cadres," to summarize and exchange training experiences of non-party personages and united front cadres, and to study and arrange the work of training united front cadres nationwide and the work of the socialist institutes in the next five years, the national work conference on training of united front cadres was held in Suzhou today. Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and head of the United Front Work Department of the CPC Central Committee, spoke at the meeting.

After the founding of the PRC, the training of united front work cadres was developed following the establishment of the Socialist Institute. At present, in addition to the Central Socialist Institute, more than 130 socialist institutes were set up nationwide and their establishment formed a preliminary network for cadre training. More than 590,000 people have participated in training sessions organized by the United Front Work Department and socialist institutes. Among these people, more than 330,000 are non-party personages.

In his speech, Wang Zhaoguo said: One important thing in upholding and perfecting CPC-led multi-party co-operation and political consultation is to assist various democratic parties and the Federation of Industry and Commerce in improving their member training and help them conscientiously study the basic theories of united front work and the history of multi-party co-operation and fully understand the great merits of this system to lay a solid theoretical foundation for upholding and perfecting the system. At the same time, by offering their members studying and training sessions, we can raise their theoretical level of policy making and improve their capability in political participation and democratic supervision; establish ranks of non-party personages who can perform their duty both ethically and professionally and who can sincerely cooperate with the CPC, and thus providing a powerful organizational guarantee for upholding and perfecting the system.

Speaking on the work of socialist institutes, Wang Zhaoguo said: Socialist institutes are CPC-led political institutes for united front work and a "joint party school" for democratic parties and non-party personages. Administering well socialist institutes is significant to carrying out the guidelines of "long-term coex-

istence, mutual supervision, treating each other with all sincerity, and sharing good and bad;" supporting democratic parties' self-improvement; strengthening and developing the Party's unity and cooperation with various democratic parties, nationalities, and non-party personages; safeguarding and stabilizing the united political situation; and promoting reform, opening up, and the development of socialist modernization undertakings. We must comply with the CPC Central Committee's demands to make great efforts to establish and manage well socialist institutes.

Wang Zhaoguo pointed out: In establishing ranks of non-party personages and united front work cadres, it is especially important to establish the team of united front work cadres. He urged united front work departments in party committees of all levels to frequently study cadre training issues; make constant contacts with various CP-PCC committees, democratic parties, and trade unions; improve cadre training system; and strengthen supervision and inspection to fulfill the goals of cadre training.

Liu Yandong and Li Dezhu, deputy heads of the United Front Work Department of the CPC Central Committee; Chen Huanyou, secretary of the Jiangsu provincial party committee; Yang Xiaotang, member of the standing committee of the Jiangsu provincial party committee, vice governor, and secretary of the Suzhou city party committee; Zhao Jiebin, member of the department affairs committee of the Central Organization Department, attended and spoke at the meeting. United front work department heads and directors of socialist institutes of provincial, autonomous regional, and municipal party committees attended the meeting.

PRC: Li Peng Inspects Heilongjiang's Shuanyashan City

SK0307041496 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 2 Jul 96

[FBIS Translated Text] Today [1 July] is the 75th anniversary of the establishment of the CPC. Li Peng, standing committee member of the CPC Central Committee Political Bureau and the Premier of the State Council, and other leading comrades, arrived at Shuanyashan city of Heilongjiang to mark 1 July by getting together with the workers fighting on the forefront of the production line.

At the Baoshan Coal Mine, Premier Li Peng and his party cordially visited mine workers on duty, and had pictures taken with workers to mark the occasion. At the forum with representatives from the grass-roots party organs of Heilongjiang marking 1 July, Li Peng, Jiang Chunyun, and others listened to model workers from lumber industry, coal, railway, power, and farm fronts,

and representatives from grass-roots party organs who introduced the building of the grass-roots party organs, and the development and reform progress of all trades and professions. The representatives held that they would continue to play the pioneering and exemplary roles of communists to lead the broad masses of people to make contributions to the state and add glory to the party flag.

At the forum, Premier Li Peng reviewed CPC's 75 years of history. Li Peng held: The first 28 years, under the leadership of Chairman Mao Zedong and the party Central Committee, the Chinese People overthrew imperialism, feudalism, and bureaucrat-capitalism, and established the New China. The Chinese people have stood up since then. Since the establishment of the New China 47 years ago, our socialist revolution and construction both achieved notable results under the leadership of the CPC. Especially after the third plenary session of the 11th Party Central Committee, under the leadership of the party Central Committee with Comrade Deng Xiaoping as the core, we formed a set of theory of building socialism with Chinese characteristics. Our economy saw continuous growth, the composite national strength was increased gradually, and people's life was conspicuously improved. Prosperity prevailed in all localities.

Li Peng held: Now, while socialist undertakings in the international arena are at a low ebb, socialist undertakings in China are thriving. The key lies in the integration of the universal truth of Marxism with the revolutionary practices of China by Chinese Communists. With this successful integration, we produced the theory of building socialism with Chinese characteristics, unremittingly pushing forward the socialist undertaking. People throughout the nation are full of hope for it.

Li Peng held: In the history of our party, there were occasions when we suffered from mistakes and temporary setbacks and failure, but we were never stumped by these difficulties. After summing up experiences and drawing lessons, we overcame difficulties and stood up again. Nowadays, encountering some problems and difficulties in the process of reform, opening up, and modernization, is inevitable. It is believed that our party is resolute, confident, and capable of resolving problems and overcoming difficulties, leading the people throughout the nation as they continue to forge ahead.

Li Peng pointed out: The CPC is the core force guiding all undertakings. The grass-roots party organs have successfully played their role as combat bastions in everything they do. Most of our party members are good, and are examples for their posts. This is the important factor contributing to the great progress of our cause. Today, the party Central Committee with

Comrade Jiang Zemin at the core is leading the whole people to work hard to realize the Ninth Five Year Plan and the long-term goal for the year 2010. Our prospects are bright.

Yue Qifeng, secretary of the Heilongjiang Provincial Party Committee, Tian Fengshan, Governor of the provincial government, and persons in charge of the related departments of the State Council who accompanied Li Peng for this inspection, attended the forum.

PRC: Qiao Shi Attends NPC Standing Committee's 20th Meeting

OW0307115196 Beijing XINHUA in English
1112 GMT 3 Jul 96

[FBIS Transcribed Text] Beijing, July 3 (XINHUA) — Members of the Standing Committee of the National People's Congress, China's top legislature, met here today to discuss four reports, one of them by Chinese Finance Minister Liu Zhongli.

NPC Standing Committee Chairman Qiao Shi attended today's meeting, that was presided over by NPC Standing Committee Vice-Chairman Li Ximing.

In his report, Liu said that the central government's revenues came to 386.66 billion yuan in 1995, up 11.2 percent from the previous year, and expenditures were 452.945 billion yuan, a 9.3 percent increase.

The budgetary deficit reached 66.28 billion yuan, 398 million yuan less than the expected figure of 66.68 billion yuan.

In one report, Guo Zhenqian, auditor-general of the State Audit Administration, said that China's Audit Law came into force in 1995.

He said that for the first time, in 1995, his administration audited taxes paid to the central government by 40 central departments and by local tax offices, as well as tariffs.

Results of the audit showed that the central government's budget was effective, he said, and that the central government's financial situation had taken a turn for the better, and that progress had been made in reforming China's financial and tax system.

Also for the first time, the increase in revenues of the central government outstripped expenditures, he noted.

Guo also criticized some local governments and departments for illegally granting tax exemptions and reductions, resulting in losses in central government revenues.

Cao Zhi, secretary-general of the NPC Standing Committee, gave a report on preparations made by the China Organizing Committee for the 96th Conference of the

Inter-Parliamentary Union, noting that 1,500 people are expected to attend the conference in Beijing in September, more than any of the previous meetings.

NPC Standing Committee Vice-Chairman Wang Bingqian delivered a report on inspecting effectiveness of the Environmental Protection Law in the cities of Beijing, Shanghai and Tianjin.

A study done from April to June showed that the cities are paying close attention to environmental protection and have had some noteworthy results, he said.

On the whole, however, the environmental protection situation in the cities is no cause for optimism because of rapid growth of urban populations and increased energy consumption, he explained.

Wang said that vigorous efforts need to be made in sustainable development, increasing environmental protection, and improving the appearance of the cities.

PRC: Discipline Inspection Organs Step Up Handling of Cases

OW0207055196 Beijing XINHUA Domestic Service
in Chinese 0821 GMT 24 Jun 96

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 24 Jun (XINHUA) — Since China implemented the policy of reform and opening up, all levels of disciplinary inspection and supervision organs have stepped up handling cases, thereby helping achieve new progress in the building of party style and a clean government and providing a major guarantee for the smooth progress of reform, opening up, and modernization construction.

According to Zhao Hongzhu, spokesman for the Central Commission for Discipline Inspection [CCDI], the nation's discipline and supervision organs put over 410,000 discipline-breaching and law-breaking cases on file, concluded over 370,000 cases, and handed out punishments to more than 310,000 according to party discipline and the state laws in the period from August 1993, the month when the CCDI convened its second plenary meeting, to April 1996. Of the 260,000 people who were punished according to party discipline, 9,400 were cadres who held posts at county and departmental level organs.

At the CCDI's second plenary meeting held in August 1993, it was suggested to concentrate efforts on handling a number of major and important cases, of discipline-breaching and law-breaking cases involving leading party and government cadres and members of judicial, administrative, law enforcement, and economic

management departments, particularly serious power-abuse cases. Various localities and departments intensified case-handling efforts and concentrated efforts on a number of major and important cases. Among them were a case involving Yang Feng, Shaanxi's former economic commission vice chairman, who diverted 4.22 million yuan of public money to his family-owned business; another case was a major corruption case involving Xue Jingwen, Jilin's former trade unions vice chairman.

The year in which the investigation into and handling of major and important corruption cases scored successes and made great headway was 1995. Investigation into and handling of the Chen Xitong and Wang Baosen case, in which the CPC Central Committee gave direct instructions, played a particularly important promotive and demonstrative role in the work of investigating and handling the nation's major and important cases. In that year the nation's disciplinary and supervision organs put 150,000 cases on file for investigation, meted out punishment to more than 140,000 people, among them more than 5,300 cadres holding posts at county and departmental organs.

Zhao Hongzhu said that during the 1993 to April 1996 period various levels of disciplinary and supervision organs, through case-handling, helped the state recoup nearly 7 billion yuan in economic losses. He added that it was decided at the CCDI's sixth plenary meeting held early this year to increase efforts and to continue investigating major and important cases. Among the just-concluded major and important cases were: A bribe-taking case involving Ouyang De, former vice chairman of Guangdong People's Congress Standing Committee; a power-abuse and bribe-taking case involving Tie Ying, former deputy party secretary of the party organization and vice chairman of Beijing People's Congress Standing Committee; and a party discipline-breaching case involving Li Jinghua, former head of Hebei's agricultural office.

PRC: CPC Delegation Head Returns From Vietnam
OW0207064396 Beijing XINHUA in English
0626 GMT 2 Jul 96

[FBIS Transcribed Text] Beijing, July 2 (XINHUA) — Wen Jiabao, alternate member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, member of the Secretariat of the CPC Central Committee and acting head of the CPC delegation, returned here today after attending the Eighth National Congress of the Communist Party of Vietnam from June 28 through July 1 in Hanoi.

Li Peng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and

Premier of the State Council, attended the first-day Congress as head of the CPC delegation and returned to Beijing on the evening of June 28.

Wen Jiabao was greeted at the airport by leaders of the Party and government institutions and diplomatic envoys of the Vietnamese embassy in the Chinese capital. Also returning with Wen was Li Shuzheng, alternate member of the CPC Central Committee, head of the International Liaison Department of the CPC Central Committee and member of the CPC delegation to the Congress.

PRC: PRC Produces 'Nuclear Reactor Afterburner' for Pakistan

SK0307034496 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 2 Jul 96

[FBIS Translated Text] A nuclear reactor afterburner [jiali rongqi], the first of its kind manufactured in the PRC, successfully passed its operational test at the third heavy-duty machinery group company a few days ago, thus providing the PRC with experience in making home-made nuclear power equipment. This equipment is a key facility of nuclear power plants, and only a few countries in the world can produce it. The company manufactured this equipment for a project in Pakistan. Its total weight is 205 tonnes.

PRC: RENMIN RIBAO on CPC as Proletarian Vanguard

HK0307033596 Beijing RENMIN RIBAO in Chinese
13 Jun 96 p 9

[Article by Sha Jiansun (3097 0256 1327): "Draw Historical Experience and Strengthen Party Building—Marking the 75th Anniversary of the CPC's Founding"]

[PTS Translated Text for FBIS] Since its founding in 1921, the CPC has traversed the road of glorious struggles for 75 years. China was still a semi-colonial and semi-feudal society when the CPC was born. National crises were unprecedentedly aggravated, the country was weak and poor, and the people were leading an extremely poor life without political freedom. Hence, striving for national independence and people's liberation and making the country strong and prosperous became the two major historic tasks facing contemporary China. As China's bourgeoisie and other political parties were weak, the responsibility for leading the Chinese people to fulfill the two tasks fell historically on the shoulders of the Chinese Communists.

The birth of the CPC was an unprecedented great event in Chinese history. Thereafter the Chinese people, under party leadership, advanced wave upon wave and waged

heroic struggles to overthrow the joint rule by foreign imperialism and China's feudalism, and established the great PRC. The Chinese people chose the development road of socialism, carried out large scale economic and cultural construction, and gradually turned the poor old China into New China with initial prosperity.

The CPC came into being based on the integration of China's workers' movement and Marxism-Leninism. From its very beginning, it was a new revolutionary political party of the working class armed with the theory of Marxism-Leninism. Because the application of Marxism to semi-colonial and semi-feudal old China, which had a vast territory and large population and whose problems were complex and whose political and economic development was uneven, was an arduous system engineering, and because most party members came from peasant and petty bourgeois families and the party had to struggle with and also unite with the bourgeoisie for a long time, all sorts of nonproletarian thinking seriously affected the party. To build the party into the firm vanguard of the working class which is politically mature, organizationally consolidated, and ideologically acts in unison, it had to undergo a process of self-construction in revolutionary practice. From a few groups with dozens of members to a party with 57 million members and leading the great PRC, our party has traversed a long and arduous road and has accumulated rich positive and negative experience. We are now carrying out the great and arduous reform, opening up, and the socialist modernization program. As a ruling party, we shoulder the historic responsibility and are also faced with the test of the times. Seriously studying and drawing the rich experience of self-construction in our party's history will be very beneficial to promoting the "new great project," increasing the party's cohesive force and combat effectiveness, and smoothly carrying out the socialist cause with Chinese characteristics.

Have a Clear Idea of the Party's Nature as Vanguard of the Working Class

Marxism revealed long ago that human society will inevitably proceed from a class society to a society without classes, exploitation, and oppression. The working class is the only force that can lead such a social change. This historical status and role of the working class cannot be replaced by any other class or social group. In recent times, a class is usually led by a political party. To realize its historic mission, the working class must form a revolutionary political party—the communist party—to serve as its vanguard.

Upholding the party's nature, which is the vanguard of the working class, will be of fundamental significance

to doing a good job of party building. The formulation that negates the vanguard nature of the working class and advocates the superclass party of the whole people under the excuse of the changes effected in domestic class relations and the world entering into a new era of technological revolution does not hold water theoretically and is very harmful practically. As a consequence, the party will be deprived of its nature as vanguard of the working class and its role as vanguard, and will become the tail of spontaneous forces. Then it will be impossible for it to assume the responsibility of exercising leadership over the working class and other masses.

Upholding the nature of the party as vanguard of the working class means that the party must fight for the lofty goals of socialism and communism and the social ideals of the working class, take Marxist scientific theories as its guidelines, observe and handle problems from the standpoint of the working class, genuinely represent the fundamental interests of the broad ranks of the people, maintain close ties with the working class and other masses, lead them in the course of advance, and recruit and educate members in light of the criteria for advanced elements of the working class. As Comrade Jiang Zemin pointed out, only by "upholding the nature of the party as the vanguard of the working class can we better understand the historical position of our party and its lofty mission, master the essence of the Marxist theory of party building, and ensure that party building work will advance along the correct track."

Only by Ideologically Focusing Attention on Party Building Can the Party Maintain Its Nature as Vanguard of the Working Class

The party's ideological building is the main topic in party building. Building our party ideologically is one of the essential experiences in party building. To strengthen the party's ideological building, it is necessary to first arm the whole party with Marxism so that the broad ranks of party members, party cadres in particular, will straighten out their thinking and master the principle of integrating the tenets of Marxism-Leninism with China's actual reality and increase their awareness in implementing the party's correct political line. Historic experience has proved that China's affairs cannot be properly resolved without the guidance of Marxism. The vitality of Marxism lies in its integration with practical life and opening a path for resolving problems in practical life. Fundamentally speaking, the advance or retreat, success or failure, of the revolution and construction led by the party depends on whether the party can correctly integrate Marxism with China's reality.

With Mao Zedong as their representative, the Chinese Communists followed the principle of integrating theory with practice, opened a path of new democratic revolution with Chinese characteristics, and built the PRC; carried out socialist transformation with Chinese characteristics and established the basic system of socialism in China; and proposed the idea of China taking its own road of building socialism and made numerous explorations in this regard. Under new historic conditions, the Chinese Communists with Deng Xiaoping as their representative upheld and developed Mao Zedong Thought, systematically put forward the theory of building socialism with Chinese characteristics, laid down the party's basic line for the initial stage of socialism which takes economic construction as the central task, upholds the four cardinal principles, and adheres to reform and opening up, and created a new situation in the building of socialist modernization. Now the CPC Central Committee with Comrade Jiang Zemin as the core is leading the whole party and the people of the whole nation in studying new conditions, summarizing new experience, resolving new problems, and constantly pushing forward the grand cause of building socialism with Chinese characteristics along the direction of integrating Marxism with China's reality.

In the history of the building of Marxist political parties, Mao Zedong was the first to point out: In order to draft and implement the party's correct political line, the most important thing is to oppose subjectivism within the party and rectify style. In other words, it is necessary to oppose idealism in practical work within the party, advocate and practice the materialist ideological line of proceeding in everything from practice, seeking truth from facts, and integrating theory with practice. This was also the thinking repeatedly stressed by Deng Xiaoping, who pointed out that "The ideological line is not a trifling matter. It is the foundation that determines the political line." "Unless we resolve the problem of the ideological line and emancipate our mind, it will be impossible to lay down and implement the correct political line." As the Chinese Communists have proceeded from practice and creatively applied Marxism, this scientific theory has been closely integrated with the concrete practice of the struggles of the Chinese people and with China's history and culture, and it has taken root on the land of China. Consequently, China's communist movement has become invincible and unconquerable.

We have scored world-acknowledged achievements in the course of reform, opening up, and the modernization program. At the same time, we have encountered problems demanding prompt solution. We are faced with a rare opportunity as well as stern challenges. How should we seize the opportunity, meet the challenges, resolve

the problems we face, and promote the socialist modernization cause on the basis of consolidated achievements? The most important thing is to uphold the principle of integrating Marxism with China's reality. As Comrade Jiang Zemin said, "The key lies in profoundly understanding and mastering Marxism, profoundly understanding and mastering China's national conditions, and correctly uniting the two in the practice of revolution and construction." Only by adhering to the guidance of the Marxist stand, viewpoint, and method, investigating and studying the new circumstances, and reflecting the demands of the masses and introducing their innovations can we resolve the difficulties and problems on the road of advance and lead the building of socialism with Chinese characteristics to a new victory in light of the requirements of the party basic line characterized by "one center, two basic points."

The CPC Central Committee repeatedly stressed recently that leading cadres must stress politics. Comrade Jiang Zemin exhorted the whole party, party cadres in particular, that they "should increase their keen political insight, be good at understanding and handling problems politically, and maintain a sober mind and firm stand on problems related to principle and orientation." An earnest understanding and resolute implementation of the spirit of the central authorities' instruction on stressing politics will increase the awareness of the whole party, party cadres in particular, in adhering to the correct political stand and orientation and comprehensively implementing the party's basic line, enhancing keen political insight, and producing a far-reaching influence in enhancing the party's ideological building and ensuring the advanced nature of the party's working class.

Correct in Earnest the Nonproletarian Thinking Within Party and Resolve the Problem of Party Members Joining Party Ideologically

As the vanguard of the Chinese working class, the CPC loyally represents the interests of the Chinese people and nation. Wholeheartedly serving the people is the fundamental purpose of the party and the starting point and ultimate aim of its members' activities. Mao Zedong once said that, "the question of whom to serve is a fundamental matter of principle." It is one of the hallmarks distinguishing the Communist Party from other political parties to serve the majority of the people rather than the minority and to safeguard the interests of the broad masses of the people rather than certain exploiting classes or the selfish interests of certain groups.

It is true that the party's policies and strategies must suit the specific conditions of the given period. During the period of democratic revolution, protecting the

national capitalist industry and commerce was one of the party's three major economic programs. How to deal with the influence of capitalist development on the party was one of the questions to be answered by the party. Regarding this, Mao Zedong clearly pointed out, "seriously and resolutely maintaining the purity of communism of party members, and protecting the useful components of capitalism in social economy and ensuring its appropriate development," constitute "an indispensable task during the building of the democratic republic." He emphasized that, "it is likely that some party members will be corrupted by the bourgeoisie and that capitalist ideas will spread among party members; we should fight against such corrupt thinking within the party," and we should pay attention to "not mistakenly shifting the struggle within the party against capitalist ideas into the socioeconomic field or opposing the economic component of capitalism." One of the party's important policies today is to uphold the dominance of the public sector and at the same time allow and encourage the development of the nonpublic sectors, including individual, private, and foreign investment, and enable them to become a necessary complement to the socialist economy through correct guidance, enhanced management, and management. In this regard, Deng Xiaoping also pointed out clearly: "The more the party and government implement the policy of reform and opening up, the more party members, senior party cadres in particular, should attach great importance to and earnestly practice communist ideology and moral values. If we are disarmed spiritually, how will it be possible for us to educate the young people and lead the country and the people in building socialism!" These instructions were of great significance to strengthening the party's ideological building.

How to withstand the test of victory and being the ruling party is another important topic to be resolved in the party's ideological building. In view of the lessons drawn from previous peasant uprisings wherein the leaders become corrupt and degenerate once they have won victories in their undertakings, during the years of revolutionary wars Mao Zedong called on the whole party to study Guo Moruo's "Memorial Ceremony for 300 Years." Mao urged people not to repeat the mistakes of peasant uprising of leaders becoming arrogant and corrupt after winning victories, resulting in the failure of their struggles. He also cited on numerous occasions the facts of arrogance leading to revolutionary setbacks in the party's history and urged the whole party to draw lessons from the mistakes. On the eve of the nationwide victory, he particularly exhorted the whole party to guard against the attack of sugar-coated bullets from the bourgeoisie and told them not to be defeated by the sugar-coated bullets. Deng Xiaoping also sharply

raised the question, "should we become lords or the people's servants after we have entered the cities?" He stressed the necessity of "focusing attention on the characteristics of the ruling party," "paying more attention to upholding the party's fine tradition," and "taking note of improving the party's life." In the new historic period, Comrade Jiang Zemin further pointed out: "When our party has become the ruling party, we have obtained better conditions for serving the people, but this has also increased the danger of becoming divorced from the masses and even going corrupt. The danger increases under the conditions of reform, opening up, and commodity economic development. If we lose our vigilance, the consequences will be even more serious." He exhorted the whole party, "we must awake from the stirring, harsh struggles at home and abroad in recent years, strictly administer the party, establish and improve a set of systems for resisting corruption and preventing a change, adopt practical and effective measures to strengthen inner-party supervision and supervision by the masses of the people, and wage merciless struggles against all sorts of corrupt and negative practices." These instructions are of great guiding significance to the strengthening of party building.

Historic experience has proved that "mastery of ideological education is the central link for uniting the whole party to carry out great political struggles." Although the party carried out activities for a long time in the guerrilla war environment in the rural areas and most of the party members came from peasant and other petty bourgeois families during the years of revolutionary wars, our party turned itself into a firm vanguard of the working class because we grasped the central link of ideological education. Although "our party has to continue to withstand the test of a ruling party, face the test of reform, opening up, and commodity economic development, and face the test of anti-peaceful evolution" in the new historic period, we will certainly be able to "build the party into a firmer vanguard of the working class" as pointed out by Comrade Jiang Zemin as long as we are good at drawing lessons from history, can earnestly grasp the central link of ideological education, and can strictly administer the party.

The CPC has traversed a great historic road over the past 75 years. It has gradually consolidated and strengthened itself in the course of waging arduous struggles against the cruel reactionary forces, in the course of carrying out strenuous and complicated socialist modernization in a big country with backward economy and culture, and in the course of constantly summing up successful experience and correcting its mistakes. For this reason, the party has tempered itself to be politically firm and

has also obtained the great ability to purify itself and seek self-development. Historical facts have proved that the reactionary forces, no matter how powerful they are, cannot conquer the Chinese Communists and no difficulties can stop them from advancing. Although they may make mistakes, they are good at learning from their mistakes and correcting them, and seeking new development in the undertakings they lead.

Although socialism is temporarily at a low ebb worldwide, the Chinese Communists have held high the great banner of socialism on the vast land of China and have sought self-improvement and self-development of the socialist system through reform. Fundamentally speaking, China's affairs must be handled by the Chinese people under our party leadership. "If there are problems in China, they will be expressed within the Communist Party." Therefore, as long as we have done a good job of party building, no force will be able to hinder the Chinese people from triumphantly advancing along their chosen socialist road with Chinese characteristics. "As long as China's socialism remains, socialism will hold its ground in the world."

PRC: NPC Committee Deliberates Laws on Coal, Mineral Resources

OW0207123696 Beijing XINHUA in English
1143 GMT 2 Jul 96

[FBIS Transcribed Text] Beijing, June 2 (XINHUA) — Members of the Eighth National People's Congress Standing Committee today continued to deliberate the Draft Law on Coal and Draft Amendments to the Law on Mineral Resources.

Law-makers Li Xuezhi and Tao Aiying held the view that China's ethnic minority areas have abundant mineral resources but the state's ownership of mineral resources should not affect local economy and the life of local residents.

Huang Yuzhang said that the Coal Law should have still more explicit specifications on reducing mining accidents which have caused serious losses to the state and families.

And the state should also make still greater efforts to ensure the safety of water, electricity, transportation and telecommunications facilities, Huang said.

With rampant coal mining at present, Law-Maker Zhou Zhanao said the state should enhance the protection of state-owned coal mines, and that private and individual mining businesses should be kept away from state-run mining areas.

As to the draft amendments' stipulation that individual businesses are allowed to go in for the exploitation

of mineral resources, Law-Maker Zhang Xuwu pointed out that the exploitation needs advanced technology so as to make fuller use of the limited resources, but it is doubtful whether individuals are qualified for the exploitation.

Wu Jinghua noted that the interests of people in poor areas, particular those in ethnic minority areas, should be taken into account with regard to the exploitation and utilization of mineral resources.

In addition, relations between the state, collectives and individuals, relations between the central and local governments, and relations between different departments of the central government should be well dealt with.

Law-Maker Xie Tieli said that those stealing and rushing to loot coal from trains and at unloading sites must be punished seriously.

PRC: NPC Group Investigates Enforcement of Environmental Laws

OW0307102396 Beijing XINHUA in English
0812 GMT 3 Jul 96

[FBIS Transcribed Text] Beijing, June 3 (XINHUA) — A supervision group of the Standing Committee of the National People's Congress carried out investigations on the enforcement of the Law on Environmental Protection in Beijing, Shanghai and Tianjin from April to June.

It was part of the efforts by the NPC, China's top legislative body, to strengthen supervision on law enforcement throughout the country.

During the NPC group's three-city tour, over 5,000 local residents, experts and NPC members reported pollution problems in the cities to the group.

When the group visited the cities, several 24-hour special hot lines were opened to public to receive comments from the local residents.

According to statistics, over 40 percent of the reported pollution problems were solved by local governments with the help of the NPC supervision group.

At the same time, press and media reports of the group's supervision efforts also produced a great impact.

China has achieved great developments with new tough laws in recent years, but enforcement has been a weak point.

Senior leaders of the NPC Standing Committee, as a result, urged the legislative body to strengthen the supervision of law enforcement, and put the supervision and law-making on an equal basis.

In the past few years the NPC arranged for a number of law enforcement supervision groups to visit provinces and cities for inspections.

NPC enforcement supervision groups for Environmental Protection Laws, adopted by the NPC in September, 1979, have toured 26 of China mainland's 30 provinces, municipalities and autonomous regions.

Another NPC group is to go to Shaanxi, Qinghai and Ningxia in the second half of this year to continue its supervision on environmental protection law enforcement.

According to Chinese law, the local people's congress is entrusted to supervise work of local authorities at the same level.

The NPC will participate in the law enforcement supervision in provinces and cities when important or popular problems are reported to them.

An official of the NPC Standing Committee said the NPC plans to launch supervision operations on the enforcement of Education and Labor Laws and laws on public security this year.

***PRC: MRFTV Tightens Broadcast Management Control**

96P30221 Beijing FAZHI RIBAO in Chinese
22 Jun 96 p 1

[FBIS Translated Text] Beijing, June 21 (XINHUA)—The Ministry of Radio, Film and Television (MRFTV) issued a circular on 20 June requiring radio, television, and cable television stations at all levels to tighten broadcast management and raise the overall quality of their broadcast material.

The circular required that all radio, television and cable television stations must strictly enforce rules related to the regulation of radio and television programs and tighten censorship of broadcasts. All programming must adhere to correct leadership direction so as to benefit reform, development, stability, and the establishment of a socialist spiritual civilization. Broadcasts must be suitable to national circumstances, conforming to majority tastes and interests; and particularly beneficial to the physical and mental health of youth. The circular will also strictly ban broadcasts of ideologically deviant, insipid programming and pirated broadcast material. The MRFTV will carry out a unified system of review for foreign films and television programs to which all localities must strictly adhere. The circular required that broadcasters at all levels strengthen control of direct broadcasts. Radio and television administrative departments in all localities will conduct a serious investigation of all radio, television and cable television broadcasters operating in their areas.

Science & Technology

PRC: XINHUA Reports Satellite Launch From Sichuan

OW0307143396 Beijing XINHUA Domestic Service
in Chinese 1329 GMT 3 Jul 96

[By reporter Li Xiuqing (2621 4423 3237)]

[FBIS Translated Text] Xichang, 3 Jul (XINHUA) — At 1847 Beijing time [1047 GMT] today, the "Apstar-1A" communications satellite was successfully sent into space on the "Long March-3" carrier rocket at the Xichang Satellite Launch Center in China.

Owned by the Hong Kong-based APT Satellite Company and made by the U.S.-based Hughes Corporation, the satellite weighs some 1.4 tons and is equipped with 24 C-band transponders. It has a designed life span of 10 years.

The rocket was manufactured by the China Institute of Carrier Rocket Technology. This was the 10th time that it was used to launch a satellite. Ignition of the rocket was successful, and the lift off was on schedule. Twenty-four minutes later, the parameters sent by the Xian Satellite Monitoring and Control Center regarding the satellite's entry into the predetermined orbit show that the satellite has successfully moved into a synchronous transfer orbit with a perigee of 222 km, an apogee of 41,838 km, and a dip angle of 27 degrees. From this point on, the Hughes Corporation will monitor the satellite, which will settle into a final orbit of 134 degrees east longitude above the equator and begin providing communications services for the Asia-Pacific region.

PRC: Further on Successful Satellite Launch 3 Jul

OW0307154996 Beijing XINHUA in English
1532 GMT 3 Jul 96

[FBIS Transcribed Text] Xichang, July 3 (XINHUA) — China successfully launched a telecommunications satellite at 6:47 p.m. Today from the Xichang Satellite Launching Center in southwest China's Sichuan Province.

The 1.4-ton satellite, named ApStar-1A and owned by the Hong Kong-based Asia Satellite Telecommunications (AsiaSat), was made by Hughes Space and Communications of the United States.

Comprised of 24 c-band transponders, the satellite has a 10-year lifespan. It was sent into orbit by a Long March 3 rocket carrier, which has conducted a total of 10 satellite launchings, including this one.

Xichang enjoyed fine weather this afternoon, after several days of rain.

The ApStar-1A smoothly entered the synchronous orbit with the perigee of 222 km and apogee of 41,838 km, 24 minutes after the launching, and soon began operating for the Asia-Pacific region.

This is the 47th satellite launching since China developed the technology in 1970.

China now is well-placed in the world in its satellite manufacturing and launching capabilities. It can produce and launch exploration and technological experimental satellites, retrievable satellites, and sun-synchronous orbit meteorological satellites.

Three satellite launching centers have been established in Jiuquan in northwest China, in Xichang, and in Taiyuan in north China. The country has a force of more than 40,000 specialists in aerospace research and engineering technology.

China began international commercial satellite launching in 1990. So far, 11 launches have been made.

An authority with the aerospace program said that China's involvement in commercial satellite launching has supplemented the international satellite launching market, and the country will continue to join other countries in the efforts of humanity to develop space resources that will benefit all mankind.

PRC: Telecommunications Service To Link Beijing With World

OW0107164396 Beijing XINHUA in English
1632 GMT 1 Jul 96

[FBIS Transcribed Text] Beijing, July 1 (XINHUA) — A telecommunications service went into operation here today which might make visual image and data transmissions possible between China's capital and other countries.

The new service named ISDN was launched by the Beijing Long-Distance Telephone Bureau to provide users with various telecommunications services, such as fax, and data and visual image transmission.

The service also makes it possible for users to see who they are talking to on the other end of the telephone line.

The service has eight designated outlets that link Chinese users with the international telecommunications network via the Beijing International Telecommunications Bureau, the hub of the service.

The service has started between Beijing and Japan, Hong Kong, Singapore, the United States and Germany. It also will link Britain and France with Beijing.

PRC: Geomatics Center Creates Databank System 'Just Like' Atlas

OW0207113996 Beijing XINHUA in English
0801 GMT 2 Jul 96

[FBIS Transcribed Text] Beijing, July 2 (XINHUA) — In the computer room at the National Geomatics Center of China maps emerged on a computer screen one after another, with deputy director Jiang Jingtong operating the computer.

Asked to see rivers in China, they appeared on the screen. When asked to narrow it down to Jiangsu Province in east China, the screen zoomed onto rivers in that province.

When asked to view residential areas, Jiang hit the keyboard, bringing a group of an exquisitely-made maps onto the screen.

In another part of the room a worker was busy as a map emerged from a printer, displaying the poverty counties and regions of China in different colors. It allowed people to instantly get an overall idea of the poverty situation in China by viewing the map.

All above scenes took place a few days ago, as the center showed off the latest developments in map-making.

China has been making efforts to develop a national fundamental geographic information system which will provide a digital information service by collecting geographic information from national topographic maps, survey control points, air or space remote sensing technology, some subject information and statistics data.

"We are editing and storing the collected information, establishing a three-dimensional databank of national fundamental geographic information," said Jiang.

"We'll expand its application fields to provide a fundamental geographic information service to the development of the national economy," he added.

The system consists of four databanks covering topography, place names, earth, and gravity.

Research work on the system began in 1984, and four databanks, with a scale of one to one million, have been set up since then.

"We'll continue increasing the volume and varieties of the databank, producing maps with such large scales as one to 250,000, one to 50,000 and one to 10,000," Jiang said, adding that they will not only set up

three dimensional databanks, but also four dimensional databanks.

It has cost the country a long time period, and a large amount of investment to establish the system. Research staff working on the system have already applied part of their research results into practice. More than 30 state departments have accepted their service, bringing remarkable economic and social benefits to society.

The center has set up a comprehensive databank of the country's administrative areas, based on the center's topographic data bank and place name data bank, which can search, display, and draw maps quickly. The system has been installed and put into use in the general office of the State Council and the general office of the Central Committee of the Chinese Communist Party.

"The system is just like an atlas covering all China, which can provide a rapid search service, analytical data, and basis of space positioning for subject information, and can speed up the process of making a chart and bring it up to date," said associate researcher Liu Ruomei.

"Subject information from most of the state departments, such as highway or railway transportation, forest and plantation, meteorology and hydrology, geology and seismology, and resources environment can be added with the fundamental geographic information to draw various charts," she added.

With wide-range application prospects for the system, the National Geomatics Center will continue to improve the system after it completes the first ten-year project. Finally it will become an indispensable atlas for all the state departments and decision-makers in the commercial sector.

Military & Public Security

PRC: PLA Strategic Missile Unit Steps Up Modernization Efforts

OW0307105696 Beijing XINHUA Domestic Service in Chinese 0859 GMT 1 Jul 96

[By reporters Zhang Jiajun (1728 1367 6511) and Wu Xudong (0124 2485 2639)]

[FBIS Translated Text] Beijing, 1 Jul (XINHUA) — The People's Liberation Army's (PLA) strategic missile unit recently held a grand meeting in Beijing to mark its 30th founding anniversary and to display its brilliant achievements in modernization construction.

Information provided by the meeting organizers showed that China's strategic missile unit has created historical miracles following 30 years of strenuous efforts. They included the following: the construction of a number

of modern launching sites for different models of missile and for different launching methods; initial taking shape of various models of missile weapons systems; realization of a high-level breakthrough in the research of tactics and strategies and in military training; all missile launching detachments reach the standards of their respective levels; rapid increase in the rapid and mobile combat capability and in the capability of accurate target hitting; realization of an historic leap in the troop units' overall combat capability; and successful performing of several missile launching and training tasks and of tactical exercise simulating actual combat.

The strategic missile unit was founded on 1 July 1966. It is a young and high-technology unit of the Chinese Army. Under the leadership of the CPC Central Committee and the Central Military Commission, generations after generations of officers and men have worked hard and weathered all kinds of hardships to set up this unit. They built it into a powerful unit from scratch. Particularly since the convening of the third plenary session of the 11th CPC Central Committee, the broad mass of officers and men have conscientiously implemented Deng Xiaoping's thought on the army building in the new period and Jiang Zemin's general requirements on the army building; they have contributed to the new development in modernization construction and played important roles in defending the motherland's security and in maintaining world peace. They treated education and training as a strategic task; constantly deepened training reform centering on combined supporting training; explored basic combat methods and training methods with different missile models and different combat modes; established a set of rules and systems for a new generation of combat training; realized the combined training of an entire brigade and an entire regiment; and raised the overall training quality. Means of training have evolved from the use of hand-made simple equipment into the full utilization of modern technology including comprehensive weapons system's simulation. Operational training of general nature can now be basically realized without using real equipment and without having to enter into combat. Over the past five years, the number of top-grade launching detachment, which represents the troops' highest level of combat strength, increased 18 times.

Along with constant upgrading and development of new weapons system, the knowledge structure among the cadres in the strategic missile unit has undergone historical change. Their overall quality has markedly risen. Now, there are more "knowledge-type" cadres than "experience-type" cadres. According to statistics, 81 percent of leaders at or above brigade and regiment-

level are college graduates or higher. An absolute majority of grassroots-level cadres are graduates of military institutes. Cadres with scientific and technological background accounted for more than half of all the cadres. Compared with a decade ago, now the number of high-level specialized technicians increased 64 times. The strategic missile unit has trained a considerable number of leading figures in various academic disciplines, doctor and master degree holders, and professors at graduate schools.

Following 30 years of building, the strategic missile unit has developed a system that provides logistics support in time of peace and in time of war. It persisted in scaling scientific "barrier" and in setting up an advanced logistic system. High-technology achievements in 25 main categories and in 50 series have ensured leaps in the quality of logistics building. It also established a team of logistics personnel composed of chief engineers to take care of technological matters. Advanced science and technology have trickled down in all areas of management and use of weapons and equipment.

PRC: PLA 2d Artillery Corps Improves Overall Combat Capability

OW0307111496 *Beijing Central Television Program One Network in Mandarin 1100 GMT 1 Jul 96*

[Announcer-read report over video; from the "National News Hookup" program]

[FBIS Translated Text] Thanks to tireless efforts by several generations of officers and men, the overall combat capability of the People's Liberation Army's [PLA] 30-year-old, 2d Artillery Corps has entered a new, historic stage. Please listen to the following report:

[Video opens with a long shot of military trucks in a training camp, cutting to show soldiers running in the camp, a missile in a launch position, soldiers taking instruction in weapons systems, missiles firing into the air, trucks carrying missiles, and soldiers adjusting parts of missiles] With Chairman Mao's consent, a new strategic missile arm came into existence within the PLA ranks on 1 July 1966. Premier Zhou Enlai personally named the unit the 2d Artillery Corps. Over the past 30 years, the 2d Artillery Corps has paid close attention to combat readiness and training reform with a view to building itself into a crack and effective strategic missile unit, thus establishing a system of operational modes for strategic missile troops suited to high-technology conditions, and gradually developing a training principle that bears the 2d Artillery Corps' characteristics and that takes technology as its basis, cadres as its core, combined training as its center, and the improvement of overall combat capability as

its goal. The corps has basically achieved the goal of building training bases for regular, simulated, and standardized training. The results of training reform — such as developing multiple capabilities in one specialized field, working out easy-to-operate training methods, and forming troops into separate units for separate training — have improved the troops' overall training standard.

To ensure mobility at any time, the establishment of communications links, the launching of combined operations, and accurate firings in various complex settings, troops in the 2d Artillery Corps have also stepped up combat training that resembles actual warfare at high altitudes and in cold weather characterized by thunderstorms and strong winds. Their mobile combat capability, rapid-response capability, and survival skills in high-technology conditions have improved substantially. [video shows technicians moving a missile into a building and working in front of computer screens and trucks moving along a dirt road]

The 2d Artillery Corps has initially developed a series of weapons systems encompassing short-, medium-, and long-range, and intercontinental ballistic missiles. All its missile-firing troops have achieved the required standards. Their missile-firing accuracy has improved with each passing year, and the rate of successful firings has reached 100 percent. This marks a new, historic stage for the 2d Artillery Corps' overall combat capability. [video shows missiles in launchers and the firing of a missile into the air]

***PRC: Guangdong Army Officer on Mobilizing for Local Wars**

96CM0327B *Beijing GUOFANG [NATIONAL DEFENSE] in Chinese No. 2, 15 Feb 96 p 17*

[Article by Yu Yuquan (0151 3768 3123), Chief of Staff of Yangjiang Military Subdistrict of Guangdong Military District: "It Is Necessary To Ensure 'Four Quicks' in Troop Mobilization for Local War Under Hi-Tech Conditions"]

[FBIS Translated Text] After World War II, in the wake of the continuous evolution of the world structure, and of the rapid development in high and new technology and its extensive application in the military field, the form of war has undergone tremendous changes, with local wars [ju bu zhan zheng 1444 6752 2069 3630] under hi-tech conditions gradually dominating the war arena. Local wars under hi-tech conditions are characterized by their rapid process and high resource consumption. How are we going to adapt to the new features of local wars under hi-tech conditions and to

do a good job in troop mobilization? In my opinion, the key point lies in "quick action."

Quick commanding and decision-making. In a local war under hi-tech conditions, how quickly troops are mobilized will have a direct bearing on the outcome of the war. Therefore, the first requirement for a troop mobilization organization is swift response and quick decision-making. First of all, it is necessary to introduce a scientific decision-making process. After a troop mobilization operation is ordered, troop mobilization organizations at all levels should immediately formulate and revise their troop mobilization programs, set out phases of operation, identify the focal points of work, assign mobilization tasks, and map out the steps needed to accomplish the tasks, the time limits for each step, and corresponding requirements, in accordance with their superior's instructions, in light of their local circumstances, with full consideration given to all kinds of problems which may spring up. Then, they should in their turn issue orders in good time to their subordinate units to start troop mobilization. Second, it is necessary to simplify working procedures. When organizing a troop mobilization operation, it is necessary to make full use of all kinds of modern means, reduce intermediate links, simplify procedures, and speed up working pace. We must try our best to ensure straightforward command and control of the main areas of troop mobilization, or we may even adopt a "one-step" process to reduce intermediate links in the order relaying chain to the maximum when necessary. Third, it is necessary to establish a telecommunication commanding network which serves as the command center of the mobilization operation. Since the reform and opening up, our country has been making substantial progress in telecommunications automation, and we have basically developed our complete system of telecommunication equipment. During wartime, we may use the generic equipment at city, county, and town postal and telecommunications bureaus (offices) for military purposes, set up telecommunication detachments in support of army units on the front, which will in turn form an automatic information transmission network for troop mobilization. The existing telephone paging stations and mobile phone facilities currently operated by the army and localities can be linked together to form a radio paging network for troop mobilization. Various tasks, such as decision on plans, issue of orders, information gathering and processing, should be done through the automatic command system as much as possible, with a view to shortening the time for decision-making and commanding, thus increasing the operational efficiency.

Quick assembly of troops. Quick assembly is the key to quick mobilization. To accomplish this task,

first of all, we must formulate a feasible tentative plan. When this tentative plan is formulated, it is necessary to take into account the area and front where the local war may take place, the enemy to fight with, and the scale and special characteristics of the war; it is necessary to specifically prescribe the organization and leadership of the mobilization operation, the assignment of tasks, and the procedures for coordination, as well as the schedule, methods, procedures, and requirements for the replenishment of forces, so as to ensure that the wartime troop mobilization will be carried out rapidly in an organized and orderly manner, with definite targets at which to aim. Second, it is necessary to rapidly assemble troops. Militiamen live like civilians in peacetime and are distributed in a highly dispersed way. In peacetime, it is necessary to assign in advance every individual member of the reserve force to a specific army unit, make sure that all the three parties—the individual himself, his family, and the army unit—know where the individual is supposed to go. The troop mobilization organization must keep track of accurate information about an individual to be mobilized: his address, the name of his employer, and the contact method, so that the mobilization order can reach the individual in good time during wartime, and the individual will be able to "report to duty as soon as he is called" and rush to the assembly point within the shortest time. Third, it is necessary to arrange for operational implementation drills. Even in peacetime, when conditions allow, we should take part in contingent, difficult, and dangerous missions, such as operations to deal with eventualities, preserve social order, fight natural disasters, and provide disaster relief services, in accordance with the requirements for troop mobilization operation. Each year we should conduct, purposefully and in a planned way, one or two simulated urgent mobilization drills. Through drills, we will be able to test the operational conditions of all links of the peacetime-to-wartime switch over mechanism, familiarize both commanders and soldiers at all levels with the mobilization plan, their own specific assignments, help them master the command procedures and coordination operation, so as to ensure that the tentative mobilization plan can be readily implemented when a war breaks out.

Quick organization and transportation. Strong and efficient communication and transport logistical support is an important condition for the achievement of quick mobilization. Therefore, our mobilization organizations at all levels should set great store by and comprehensively develop the system of mobilization of communication and transportation facilities. In peacetime, local troop mobilization organizations should keep accurately informed of the number, quality, and distribution of civil

transportation means that can be commandeered during wartime. They should designate specific logistical support units, select transportation means, map out routes, and organize drills in appropriate time, so as to ensure that the commandeered units will be well informed of their duties, be familiar with the procedures, and will be able to rapidly carry troops to the war zone during wartime. During wartime, army units should promptly work together with local departments in charge of communication and war preparations, railway transport, and aviation to set a specific time, place, and method for the replenishment of forces. They should closely rely on the assistance of local governments and other departments concerned in providing logistical support, such as the arrangement of cars and trucks, the supply of oil, repair and technical support, and medical care, so as to ensure smooth replenishment of reserve forces. At the same time, it is also necessary to enhance the troops' mobility quality. In peacetime, we must carry out in-depth education both on the situation and the servicemen's functions, purposefully intensify mobility training of the troops to improve their adaptability.

Quick replenishment. During a local war under hi-tech conditions, we are supposed to be exposed to serious threat by the enemy, and we can expect fierce combat operations. So prompt replenishment of troops is required. For this reason, under general circumstances, we must adhere to the principle of local replenishment, reserve forces will mainly be sent in groups, each in the size of an army establishment unit, to replenish the army. In this way we can shorten the time it takes for reserve forces to join the battle, thus speeding up the mobilization process. Specifically speaking, the currently operating regiments, battalions, and companies of reserve forces or militia can be sent in as a whole regiment, battalion, or company to replenish the army, so the mobilization operation will not disrupt at all or basically will not disrupt the existing army establishment. At the same time, we should try our best to make sure that the full muster rolls and other related files of technical information, political status, and physical condition of reserve forces, which are compiled in advance, will be handed over to the army units receiving the replenishment of forces, with each pouch of documents sorted out in such a way as to correspond to each whole company, battalion, or regiment of reserve force being sent to join the army. This practice will facilitate the assignment, deployment, and command of the replenishment force.

***PRC: Shaanxi Army Chief of Staff on Urban Mobilization**

96CM0327A Beijing GUOFANG [NATIONAL DEFENSE] in Chinese No. 2, 15 Feb 96 p 16

[Article by Major General Chen Deguang (7115 1795 0342), Chief of Staff of the Shaanxi Military District: "A Few Things That Must Be Attended To in Preparing For War Mobilization in Large and Medium-Sized Cities"]

[FBIS Translated Text] A large or medium-sized city usually is the political, economic, and cultural center, the hub of communications of an area. It will not only be the central object of contention in a local war [ju bu zhan zheng 1444 6752 2069 3630] under hi-tech conditions in the future, but also the crucial spot that supports the war. Therefore, how well the preparations are made for war mobilization in large- and medium-sized cities is of extreme importance.

I. Establishing a Quick and Highly Efficient Mobilization Switch-Over Mechanism

The several recent local wars have shown that a quick mobilization switch-over mechanism is a key to gaining the initiative in a war. Local wars under hi-tech conditions in the future will very likely be chance occurrences which will flare up and develop really quickly. So the time allowed for war mobilization will be extremely short. Therefore, how to establish a mobilization mechanism for a switch-over from the state of peace to the state of war in large and medium-sized cities which are always chosen by the enemy as priority targets to strike is a major issue that must be dealt with in preparing for war mobilization. At present, as far as the mobilization switch-over mechanism in large and medium-sized cities of our country is concerned, we are still facing some problems; for example, the leadership structure is not sound, plans are not well conceived, and responsibilities are not sufficiently clearly defined. Thus our mobilization mechanism will hardly be able to meet the requirement for quick response in local wars under hi-tech conditions. This we must make great efforts to improve.

It is necessary to establish an authoritative and highly efficient mobilization organization. All large and medium-sized cities should establish and improve, according to the requirements set by state laws and regulations concerned, their own national defense mobilization committee formed by the local party committee, government, and military system, and set up its operational organization which is well organized and highly efficient in mobilization. The main function of the mobilization organization is to implement its superior organization's

order for mobilization and organize the mobilization operation at its own level.

It is necessary to formulate a well-conceived, concrete mobilization plan. The mobilization plan serves as a basic guide to preparations for mobilization in peacetime and quick conversion of mobilization potential into combat effectiveness in wartime. To fulfill the aim of quick mobilization, one must draw up, according to the tasks assigned by the superior, a detailed plan specifying the quantity of troops to be mobilized, civil enterprises selected to shift to other production lines in support of military missions, transport facilities to be taken over by the military, the stockpiling of war supplies, and the time limit for mobilization. Specific tasks must be assigned to every unit, and drills must be conducted regularly to test and improve the mobilization plan.

It is necessary to adopt various flexible mobilization forms. Large and medium-sized cities are where high technology is available, supporting a wide range of industries and fields. As mobilization work involves complicated and difficult operations, it is necessary to apply various flexible methods. For example, to replenish specialized technical forces needed by the army, we may adopt either a simultaneous or a level-by-level mobilization mode, recruiting personnel from among demobilized servicemen on the reserve roll, local reserve forces that fit in specialized military technical fields, and specialized technical militia detachments. The productive force of local enterprises that can serve the war industry can be mobilized, with the focus turned toward the productive divisions of these enterprises, so as to make a more efficient and timely use of such forces to meet specific mobilization needs.

II. Stress Should Be Placed on Preparations for Mobilization of Technical Troops and Mobilization of Military Supplies

As compared with wars in the past, local wars under the hi-tech conditions mainly assume the form of air raids, electronics warfare, and missile warfare. These forms of combat set forth special requirements on preparations for war mobilization in terms of content and mode. The focus of mobilization preparations lies in the mobilization of reserve forces and supplies.

As far as mobilization of reserve forces is concerned, stress should be placed on specialized technical troops. In order to do a good job in reserve force mobilization with the focus set upon specialized technical troops, we must first decide upon a reasonable proportion of specialized technical reserve forces to be mobilized. It is necessary to classify all types of specialized technical personnel in terms of quantity, quality, and age in light of the findings of war potential surveys;

and then list all the mobilization objects in groups in the order of priority on a selective basis, and assign them to different missions ranging from real combat to logistical support, production and construction, and other work, according to the mobilization objectives and requirements for special technical forces as defined in the tentative war zone military combat program. Second, it is necessary to clarify the assignment to mobilization objects and conduct necessary drilling. For mobilization personnel that have been selected, we may conduct assembly drilling to further specify their assignments, assembly points, transportation modes, and other specific arrangements, so as to make sure that they clearly understand the mobilization program and their own duties.

As far as mobilization of supplies is concerned, stress must be placed on the storage and shipment of military supplies. With regard to reserves of supplies, we must make sure that the quality is good and the quantity is sufficient to meet both the demand of city defense operations and the demand for material replenishment in support of combat troops on the front. With regard to shipment of supplies, we must give full consideration to the mobilization of land, sea, and air transport means, and try to thoroughly tap the potential of all transport facilities to make up the army's shortage of transport capacity.

III. It Is Necessary To Reinforce People's Air Defense Facilities

A scrutiny of the Gulf War indicates that air raids are the main threat against a city's war potential in a local war under the hi-tech conditions of the future. Therefore we must make the reinforcement of the people's air defense facilities an important part of our preparations for war mobilization in large and medium-sized cities. The people's air defense facilities we have in large and medium-sized cities in our country now were mostly built in the 1950's and 1960's. Their defensive ability is pretty poor and can hardly withstand powerful air fire attacks. Furthermore, high-rise buildings built in recent years do not have facilities that enable them to shift from peacetime to wartime conditions and from civil to military use, nor are they equipped with necessary protection facilities. Therefore it is necessary to take some measures to improve them in this regard. First, it is necessary to integrate the building of the people's air defense facilities into urban construction programs and put both under centralized control. While developing the economy, we must bear in mind the needs of urban economic development and the demand for communications facilities, office space, and environment protection, build in a planned way a number of projects that

rise from underground to above the ground and can suit both peacetime and wartime conditions, and thus properly solve the need for "hideaway." Second, it is necessary to uphold the principle of extensive construction with protection for essential facilities, adopting various measures to raise the destruction-resistant ability of lifeblood facilities of cities, such as water and power supply, telecommunications and transport systems, and so on. Third, it is necessary to improve the coordination between the alarm system and air defense projects, and strengthen the people's air defense work in an all-round way.

***PRC: Information Technology Said to Alter Nature of Warfare**

96CM0397A Beijing ZHONGGUO JUNSHI KEXUE [CHINA MILITARY SCIENCE] in Chinese 20 Feb 96 No 1, pp 22-25

[Article by COSTIND (National Defense Science, Technology, and Industry Commission) Vice Minister, Lieutenant General Huai Guomo; edited by Hou Luliang (0186 7627 2733): "On Meeting the Challenge of the New Military Revolution"]

[FBIS Translated Text] Summary: The world has entered a new age of military revolution that is focused on and grounded in information technology. This revolution has the marked features of converting from the pursuit of massive killing power to a differentiated and precise use of force, in which information will become a key combat resource, and the theory of comprehensive integration will be widely accepted. As the military revolution will have a profound impact on future war and on defense science, technology, and industry, we need to meet its challenge actively and positively.

Since the Gulf War, many Western and Russian military specialists have held that certain existing and foreseeable technologies will bring a fundamental change to the form of war, operational concepts, military theory, and the military establishment over the next two to five decades, to form a new military revolution. So in an attempt to reach this revolution first, U.S. Defense Secretary William Perry approved in January 1994 the establishment of a "High-Ranking Guidance Commission for Military Revolution Studies," which is officially engaged in the study of the military revolution. And this new military revolution has aroused widespread attention among military figures in many countries.

I. The New World Age of Military Revolution Focused on and Grounded in Information Technology

Scientific and technological [S&T] developments have historically brought repeated revolutionary change to warfare. For instance, the invention of gunpowder pushed swords and spears off the stage of history, causing human weaponry to evolve from cold steel to firearms. The invention and use of the internal combustion engine brought the large-scale appearance of tanks and planes, which came to be the material grounds for the German creation of the blitzkrieg. And nuclear missiles pushed the United States and the former Soviet Union into the deterrence strategy of "mutually assured destruction." But while the military experts of various countries may differ as to the history of military revolution and the stages of warfare, they have reached the consensus that the human race is now in a new historic age in which a new military revolution has arrived, the major driving force for which is technological advances.

The skyrocketing development of information technology in the last two decades is the key driving force of this military revolution. Since the 1970s, with the economies of the United States, Europe, and certain Asia-Pacific countries starting to rise on the foundation of information (knowledge), today's society has entered the information age. Information technology has changed our society's economic and industrial structure, the way we organize and manage production, and our work and life styles. The breakup of the former Soviet Union changed the world order. But while that had a crucial impact on military affairs, it was not the basic factor in this military revolution. As the U.S. future studies expert [Alvin] Toffler says, "even if the Berlin Wall had not fallen and the Soviet Union still existed, the global system would still have been caught up in today's revolutionary change." So this change in all social and economic forces was bound to change warfare. Former U.S. Army Chief of Staff Shavren says that "the arrival of the information age will change the form of war fundamentally, just as the industrial age did a century and a half ago." For many years, information technology has played a very large role in the military research planning of Western nations, with increasing amounts of 'informationized' [digitized, smart] technical equipment being deployed. Collection, processing, distribution, defense, and corresponding resistance information systems are in widespread use, being tested and steadily improved in live combat. They include advanced detection equipment enabling commanders to know all battlefield conditions in detail, the Command, Control, Communications and Intelligence [C⁴I] system

that shortens the command cycle, increases the operational speed of data processing and combat plan formulation, and issues timely combat orders, long-range precision guided weapons, electronic warfare systems, stealth technology, and computer simulation training systems. Applied studies of information and information systems in war have evolved from "electronic warfare" and "command and control warfare" to today's "information war." The rapid development of electronic technology will make it possible in future information wars to enter computer viruses into enemy computer networks, putting enemy communications systems into chaos, and even destroying enemy weapons systems, to use high-energy microwaves to burn and destroy enemy computer chips, destroying enemy computer systems, to use high-energy particle beams to destroy enemy intelligence, communications, and command systems, and to use diverse communications means such as radio to issue false information to enemy commanders at multiple levels. In short, the development of information technology (IT) has and will continue to change the face of war, to become the key driving force in the current military revolution.

II. Current Military Revolution Features

This military revolution, in addition to the past military revolution features of overall and revolutionary (fundamental change), also has its own distinct features.

A. A change from the pursuit of massive killing power to the differentiated and precise use of force. For the last two centuries, while the human race has been figuring out ways to give weapons more killing power, ultimately having developed nuclear, biological, and chemical weapons with massive killing power, this huge increase in killing power has also forced us to use political means, finally restricting the use of such weapons. So we have switched to the avoidance of massive casualties in the pursuit of high-precision and effective killing. The differentiated and precise use of force in war on the one hand can decrease casualties, reducing the political impact, so that policymakers can flexibly use both diplomatic and military means to political and strategic ends. But on the other, it can also reduce the amount of ammunition needed to destroy targets, correspondingly lightening the logistics and defense industry burdens.

B. Information will become a key combat resource. As information has distinctions such as global reach, nonlinear effect, speed-of-light transmission, joint multiple-party use, and inexhaustible use, being able to operate and control war materiel and energy, it sharply raises combat performance and reduces the input of other combat factors [essentials]. So as information is

both a force multiplier and a key killing force, it is a crucial war resource. Coming military information and knowledge factors such as computer capability, communications capacity and reliability, real-time reconnaissance [spy] capability, and computer simulation and training will become key factors measuring military capability just like armored divisions, carrier groups, and air wings. So Clausewitz's prediction that "knowledge is bound to become power" and Toffler's expectation that "knowledge can win and prevent war" are going to be realized.

C. The establishment of the comprehensive integration theory. This military revolution was not the result of a single technological development, but rather the outcome of the comprehensive emergence in the information age of diverse technologies playing a comprehensive integrative function of many systems together. So combat capability will be judged no longer by the degree of advancement of a particular weapon alone, but rather by the comprehensive performance of a basic weapons system.

D. The revolutionary change in military technology brings a change to military theory and the makeup of the force establishment. History shows that a complete integration of the three factors of advanced weapons systems, pioneering military theory, and the corresponding force establishment, to raise military capability to the maximum (quantitatively), is the basic substance of a military revolution. As for the three essentials of military revolution, advanced weaponry is the material base and driving force of a military revolution, or the "hardware," with pioneering military theory being the soul of a military revolution, or the "software," determining whether the weaponry plays its maximum role; the makeup of the force establishment has to be suited to the changes in the first two factors. Advanced technology and weapons systems per se cannot automatically produce a new combat theory and force establishment, nor can they change the state of war. It is only when policymakers and military specialists conscientiously and actively explore and study that a new combat theory and the corresponding force establishment can be created. U.S. military figures hold that while the technology and weapons that they now possess essentially meet the needs of the initial phase of the military revolution, military theory and the makeup of the force establishment are still lagging far behind. In that sense, the current military revolution is focused not on technology per se, but rather on setting forth a new military theory and adjusting the force structure.

III. The Impact of the New Military Revolution on the Future

While this new military revolution has just started, so that it is impossible to make an accurate projection of its outcome and impact, current domestic and overseas studies of the military revolution do show certain of its effects on future war and on defense science, technology, and industry.

A. The Impact of the Military Revolution on Future War

The new military revolution is going to have a crucial impact on future combat evolution, force building, and strategy and tactics. As the military revolution develops in depth, new combat forms and concepts will grow steadily clearer.

1. Information war will become the focus of future war. Widening the gap with potential enemies in the area of information acquisition, management, and use, to seize the information high ground and pave the way for ultimate victory against the opponent, will be the aim pursued by both belligerents. Commanders in coming wars will make full use of information to control war materiel and energy, while keeping the other side from doing so. Before a battle begins (sometimes dozen of hours in advance) and proceeds, commanders will first use offensive information-war means (precision guided weapons, electronic jamming, electromagnetic pulse weapons, and computer viruses) to attack enemy information systems, affecting or destroying their decision-making mechanisms and procedures, thus forcing an end to the fighting in line with the aspirations and terms of the offensive side. And meanwhile, to protect their own information and information systems from enemy destruction, they will set up in combat space among all targets and weapons real-time detectors — links among shooters. Such offensive-defensive information warfare will become the focus of coming wars. The struggle for information supremacy will gradually become the crux of the battle, in a sense as a strategic deterrent.

2. In-depth precision strikes will become the key combat form. Recent local wars show that precision guided weapons have become the most crucial killing element. Such weapons combined with advanced reconnaissance and command and control systems can accurately strike at the enemy's force center and vital points, being used to launch sudden attacks when wars break out. And during rapidly evolving combat, they can strike tactical targets, undermining or keeping the enemy from taking effective military action. That can prevent a large-scale buildup of forces and weapons to fight a campaign operation of attrition. On the first day of the Gulf War, the U.S. Army used precision guided weapons to

destroy 150 Iraqi targets, with the future possibility of destroying 1,500 in the first hour. And precision guided weapons are now being made smarter, with their range growing steadily, so that they can make long-range strikes on in-depth enemy targets. The new generation of smart weapons that are launched from outside of the defense perimeter, are all-weather, and can be used both day and night; they will become the essential weapons of coming wars, with long-range precision strikes becoming the key combat form of future war.

3. Coordination and joint operations demands will be higher. To adapt to the complex and ever-changing features of future warfare, the new military revolution will require the establishment of a large system made up of multiple systems, which is now impossible for any one unit or service arm. And to carry out coordinated operations, all service arms will have to be highly coordinated, requiring the creation of a joint operations theory, the establishment of a joint studies center and a joint weapons purchasing agency, and joint training and operations.

4. A nonlinear battlefield and noncontact combat. The military revolution means that future war will be conducted simultaneously and continuously throughout the whole theater of operations, and even on all enemy territory, with the lines between the front and the rear blurred, and the battlefield may be mobile, nonlinear, or frontless. Noncontact combat will increase sharply. Units outside of the battle zone will use the C³I system (command, control, communications, computers, and intelligence) to focus widely decentralized firepower on striking targets that need to be attacked.

5. The command and control system will be networked. In the C³I system, the traditional command system at the vertical level will be reduced, while lateral links will be increased, with the tree [or trunk] command system changed to a network form. That will help to increase command flexibility, bringing the initiative and creativity of commanders at all levels into full play, raising the capability and effectiveness of coordinated operations, and improving survival capability.

B. The Impact of the Military Revolution on National Defense Science, Technology, and Industry

With the new technologies and weapons systems developed by national defense S&T industry paving the way for the military revolution, the in-depth development of the military revolution, with the emergence of new operational concepts, will require in turn an extensive adjustment and upgrading of defense S&T industry.

1. Adjusting our defense industry base. With future war growing ever more knowledge-intensive, it will

make increasingly pressing and higher demands on information-dominated weapons systems. An emphasis on quality as opposed to quantity, with the focus on the use of information and knowledge to raise the performance of weapons systems and the combat effectiveness of the military instead of on a simple pursuit of the traditional functions of weapons systems, has become the development trend. Such a crucial change in demand and development direction will undoubtedly make it necessary to carry out an extensive and in-depth adjustment and upgrading of our defense S&T industry. We will first have to adjust our research focus, developing new technologies such as advanced detection equipment, C³ systems, precision guided weapons, unmanned aircraft, stealth platforms, computer-aided mfg. technologies, and computer integrated mfg., and replacing our special-purpose equipment linked together by conveyer belts, to renew and upgrade our defense industry production capability.

2. Maintaining a vigorous creative ability. To meet the needs of the military revolution, defense industry will have to keep a sustained and vigorous creative ability. On the one hand, we need to use methods such as systems analysis to select development priorities for weapons systems that will be needed in future war, that are in line with the laws of technical development, and that have a good performance-cost ratio. But meanwhile, we also need to find those weapons systems that will become burdens after the military revolution, stopping their development or reducing their production now, and using the money so saved to develop weapons systems with more advanced performance. And on the other, we need to accept new concepts such as systems comprehensive capability, dispersed systems, and open-type structures.

3. Changing our purchasing management system. To meet the needs of the military revolution, we will need to gradually reform our purchasing system that was formed in the industrial age. As future war will be joint war [operations], we should set up a joint purchasing agency, with centralized planning, demands, and standards, in an attempt to make all weapons systems on coming battlefields integrated. We need to make as much use as possible of civilian technology and equipment, focusing on cultivating the capability when necessary to convert our civilian industrial capacity to a wartime army of civilians (war privatization). In addition, it will be only when our defense S&T industry takes new management steps such as all-out quality control, timely production, and parallel projects that it will be better able to meet the needs of the military revolution.

With the new military revolution already having become the focus of many specialists and scholars in China's military, academic, and S&T circles, we need to study it in further depth to meet its challenge. The rise of this revolution is the inevitable outcome of social, economic, and S&T development in the information age. This revolution will unavoidably bring profound and sweeping change to fields such as weapons and equipment systems, military theory, the makeup of the force establishment, the defense industry base, and R&D planning. So then, we can only adapt to and harness it actively, instead of taking a passive wait-and-see approach. Faced with the challenge, we need to observe the directions and routes laid out in the "CPC Central Committee Proposal on the Formulation of the Ninth Five-Year Plan for Social and Economic Development and the Long-Range Program for the Year 2010," conducting in-depth studies in two areas. 1) We need to sharply stress defense S&T research, grounding our weapons and equipment development in reliance on our own forces. Our weapons and equipment development needs to proceed from the future war style and our own distinctive characteristics, with our research work having a leading and creative mentality, to follow our own route. We need to focus on intensifying the renewal and upgrading of our new weapons and equipment R&D and R&D means, striving to make our weapons and equipment and our defense industry base more information and technology intensive, to modernize the People's Liberation Army (PLA) weapons and equipment. 2) We need to intensify our study of the art of war [battle tactics]. We need to recognize that as there will still be a gap in the future between our military equipment and that of the developed nations, creating new combat and training tactics to supplement our technology gap would seem to be particularly necessary and pressing. In the area of battle tactical studies, we have a valuable legacy and fine traditions. Sun-tzu's *The Art of War* is a shining example of human military theory from the agricultural age, while Chairman Mao's military thought and guerrilla war theory is a magic weapon for coping with the mechanized mobile war of the industrial age. So as long as we arouse our full initiative to meet the challenge actively, studying in depth the pros and cons of friend-and-foe strategic thinking and military might, we will be fully capable of creating a military theory suited to information-age warfare, one to satisfactorily perform the mission of safeguarding China's four modernizations.

**PRC: Narcotics Official Says 'Strike Hard'
Campaign 'Successful'**

OW0407140196 Beijing ZHONGGUO XINWEN SHE
in English 1338 GMT 4 Jul 96

[FBIS Transcribed Text] Beijing, July 4, (CNS) — A senior narcotics official has released figures that show that the "Strike Hard" campaign against crime have been successful in the detection of drug offences.

The number of cases involving drugs rose 37 per cent to 11,832 in the first three months of this year, with 75 kilograms of heroin and 234 kilograms of opium being seized. And in April policework in many areas has resulted in a total heroin seizure of one tonne.

Zhuo Feng, deputy secretary general of the State Commission for Drug Control added that last year police had cleared up total of 57,524 drug cases, involving 73,730 arrests and seizures of 2,736 kilograms of heroin, 1,110 kilograms of opium and 416 kilograms of cannabis. Customs officers also dealt with 30 similar cases, involving 52 kilograms of illegal drugs and 12,990 offenders, of which 9,801 have been prosecuted.

At present, there are over 500 drug rehabilitation centres and 65 combined labour and drug rehabilitation camps all over the country, which admitted 5 million and 8 million drug addicts last year respectively.

**PRC: Fujian Police Report Successes in Drug
Crackdown**

OW0307082396 Beijing XINHUA in English
0645 GMT 3 Jul 96

[FBIS Transcribed Text] Fuzhou, July 3 (XINHUA) — Police in coastal Fujian Province have solved 400 cases of drug trafficking and smuggling, and arrested 1,000 drug dealers since the beginning of 1995, a senior police officer has reported.

An official of the Provincial Public Security Department also said that police have confiscated 1,000 kg of drugs, 37 guns and 300 rounds of ammunition.

He added that last year police officers solved 18 major cases involving the smuggling of the drug "ice" from Taiwan, shut down 15 "ice" factories, arrested 39 drug dealers from Taiwan and confiscated 700 kg of "ice."

Since the beginning of this year police officers have confiscated 20 kg of heroin and 170 kg of "ice" smuggled into China from overseas.

***PRC: Juvenile Serves as Father's Drug Courier**

96CM0400A Beijing RENMIN GONGAN BAO
in Chinese 7 Apr 96 p 2

[Article by Liu Haisheng (0491 3189 3932) and Song Yiyang (1345 6654 7122): "Who Is To Blame for a Nine-Year-Old Girl Involved in Drug- Trafficking?"]

[FBIS Translated Text] Because of the colossal profit, drugs have tempted people obsessed with covetousness to rush headlong into danger. Li Baojian, though confined at home with his deformed legs, loved money as dear as life and went so far as to instigate his nine-year-old daughter to act as a drug-trafficker with a schoolbag on her shoulder.

The event took place in the ancient city of Xian shortly after seven o'clock on the evening of 6 January 1996. At the entrance to a small alley at Ziqiang Xilu in the northern outskirts of the city, a red Shalei (xia li 1115 0448) taxi stopped abruptly, and a little girl, about 10 years old, got out of the car with a satchel on her shoulder. Having looked around, she went directly toward the courtyard of No. 21 in the alley, and stopped at the gate of an inconspicuous house to the west of the yard. After halting for a moment, she pushed the door open and went directly into the house. Inside the house, a man, over 30, sitting in a worn-out chair, looked as if he was waiting for someone to come. After a brief greeting, the girl quickly took out a big bundle of banknotes in renminbi from her satchel and handed it to the man. He took it, counted the notes, and gave her a nod. Presently, he took a small paper bag from the pocket of his shirt and handed it to the girl. She opened the bag adeptly to examine the contents, weighed it in her small hand, and then put it into her satchel. At that moment, three plainclothes policemen broke into the house, shouting: "Do not move! Stay where you are!" The policemen removed the paper bag from the girl's satchel, opened it for inspection, and found it to be heroin. Twenty minutes later, the policemen also seized more than 420 grams of heroin from the small house.

Small girls are often called little angels, but this Li girl served as a courier in a drug-trafficking scheme for her father.

At the end of last year, the First Brigade of the Antinarcotic Section of Xian City Public Security Bureau was advised that Li Baojian, a jobless person living in Zhonglou Small District, was suspected of being involved in the serious crime of drug-trafficking. It was discovered in the investigation that Li supplied drug addicts with small packets of drugs every day. But, the doubtful point was that he was disabled and not thought able to go out for such transactions, and no one was ever seen send-

ing anything to his home. Where did his drugs come from? Focusing on this point, the policemen began conducting their careful investigation, at which point they discovered that Li Baojian's daughter, a fourth grade elementary school pupil, often went out in a taxi after school, and came back in the car 20 minutes later. These details aroused their vigilance and they made immediate deployment to follow in her tracks. The house at No. 21 was the focal point where Li contacted another jobless man by the name of Yang Jinliang, who was supplying the drugs to him.

It is the aspiration of every parent to see their children succeed in the world, but what seed did Li Baojian sow in the tiny heart of his nine-year-old daughter?

According to the investigation, Li Baojian had been drug-trafficking since 1995. As he had difficulty in moving about because of his deformed legs, he racked his brains to find a way to get around: He hit on using his daughter as the medium for his drug-trafficking. Every time before the contact, he would phone his supplier to arrange the time and place, and when his daughter returned home from school, he would ask her to go alone to fetch the drugs. After that, he would divide the deliveries into small doses and sell them. Sometimes he bought more than 20 grams of heroin a day, and the accumulated weight of heroin that he sold exceeded 100 grams. A small girl of nine is just like a flower, symbolizing the future of the motherland. However, under the instigation of her wicked father, she was engaged in criminal activities in violation of the law. Is this her fault? Who is to blame for this?

***PRC: Sichuan Antinarcotics Campaign Reported**
96CM0400B Chengdu SICHUAN RIBAO in Chinese
2 Apr 96 p 1

[Article by reporter trainee Gao Qiqiang (7559 7871 1730): "Situation Is Still Grim Despite Remarkable Results, Another Antinarcotic People's War Must Be Waged"]

[FBIS Translated Text] Chengdu, 2 Apr (SICHUAN RIBAO) — The Provincial Summation and Commendation Meeting on the First Antinarcotic Campaign and the Antinarcotic Work Meeting was held in Chengdu on 27 and 28 March. At the meeting, the achievements of the first antinarcotic campaign across the province were summed up, local party committees and governments at various levels who scored outstanding results were commended and awarded, the current situation confronted by the province's antinarcotic work was analyzed, and the antinarcotic work for this year was deployed.

Pu Haiqing, deputy secretary of the provincial party committee, vice governor, and concurrently head of the provincial antinarcotic work leading group, pointed out at the meeting: It is necessary to conscientiously sum up the work performed in the first campaign, firmly foster the ideology of long-term operations, and thoroughly stage a protracted antinarcotic struggle. The antinarcotic work should be regarded as the "principal leaders' jobs" of party committees and governments at all levels. We should bring into full play the role of antinarcotic work leading groups at all levels so as to ensure the smooth progress of various antinarcotic tasks.

At the meeting, Li Shuchun, deputy head of the provincial public security department, deputy head of the provincial antinarcotic work leading group, and director of the provincial antinarcotic office, reported to the participants the outstanding achievements attained in the recent antinarcotic campaign: Across the province, over 10,000 drug-related cases of various kinds were investigated and solved, with more than 9,000 drug-related lawbreakers captured, and various kinds of drugs totalling 3,048.32 kg seized. He added that there are still shortcomings and problems in the current antinarcotic work, and that we are faced with a grim situation. Various localities must continue to maintain the mighty momentum of waging an antinarcotic people's war, vigorously intensify reconnaissance to solve cases, plug up the sources of the crime, and clamp down on the drug consumer markets. In the meantime, it is necessary to accelerate the establishment of special antinarcotic organizations and make great efforts to build up a contingent of specialized, backbone antinarcotic personnel.

Among the units which were awarded and commended for their outstanding achievements in the first antinarcotic campaign are 10 city, prefectural, autonomous prefectural party committees and governments including the Chongqing City CPC Committee and Chongqing City Government, and 27 county (city, and district) party committees and governments.

Zhang Zhongwei, Wang Jingrong, and Ren Lingyun were present and spoke at the meeting. Other personalities attending the meeting were Bai Shangwu, member of the standing committee of the National People's Congress, Lu Zhuo, deputy head of the provincial antinarcotic work leading group, and persons in charge of pertinent departments.

PRC: Luo Gan Urges Training of More High-Quality Law Officials

OW0307165796 Beijing XINHUA in English
1628 GMT 3 Jul 96

[FBIS Transcribed Text] Beijing, July 3 (XINHUA) — High-quality law officials should be trained to ensure long-term social stability, State Councillor Luo Gan urged today at a national conference on public security.

"The training of more high-quality law officials and judicial workers is urgent for the crackdown on crime, and the smooth implementation of measures for the improvement of all aspects of social securities," Luo said. "It is also important for the country to achieve its economic goals and long-term stability."

Luo, who is also the deputy director of the Commission of Comprehensive Management of Social Security, said that law officials should have a strong sense of discipline and not commit corruption.

"Those who violate laws, cover up evil activities or provide harbors for criminals must be strictly handled in accordance to law," said Luo. "Corruption will never be allowed in judicial departments."

He pointed out that the ongoing crackdown on crime is of vital importance, and comprehensive management is needed to ensure a safer society. He called on governments at all levels to attach greater importance to the improvement of public security.

PRC: Crime and Punishment in PRC for 15 June - 2 July

HK0307052696

[PTS Report for FBIS] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by the Publications Translation Section of the U.S. Consulate General in Hong Kong during the period 15 June - 2 July 1996. Note: First item is refiled from ref two, providing corrected information regarding seizure of caffeine. Guangzhou Cracks Major Drug-Trafficking Case

Guangzhou public security officers uncovered a major drug ring trying to smuggle drugs to other locations. Four members of the ring were caught with 285g of heroin, 23.3 kg of caffeine, two military pistols, and 120 rounds of ammunition. (Hong Kong TA KUNG PAO in Chinese 6 Jun 96 p A4) Guangzhou Executes 16 Felons

On 28 June the Guangzhou Intermediate People's Court announced the death sentence on 16 felons involved in kidnapping, extortion, robbery, theft, and willful injury

at a mass rally held at the Panyu Yingdong Stadium. The criminals were then escorted to the execution ground to receive their sentence. Most of these criminals were natives of Panyu and members of bandit gangs. (Hong Kong TA KUNG PAO in Chinese 28 Jun 96 p A4) Nationwide Customs Crackdown on Narcotics

Since the beginning of this year, customs across the country have intensified efforts to crack down on drug smuggling and trafficking. In the January-May period, 197 kg of narcotics, including heroin, opium, morphine, and "ice," were seized in addition to 57 kg of poppy shell and 600,000 tablets of ephedrine, with the total seizure up 270 percent over the figure for the whole of last year. Kunming Customs made the most prominent achievements: During the same period, they seized 178.4 kg of narcotics, with 18 cases involving more than 1 kg of drugs; on 18 April, they cracked an exceptionally big drug smuggling case involving foreigners—the biggest heroin smuggling case since the founding of the country—in which 107 kg of heroin were seized and four people arrested; on 8 June, they unearthed a drug trafficking case and seized 13,885 g of opium in the Chinese-Burmese border area, which is the 32nd drug case they cracked since the beginning of this year. On 1 April, Nanning Customs cracked a smuggling case and seized 10 kg of opium. After finding 1 kg of marijuana oil [da ma zhi 1129 7802 5176] on a Nepalese tourist early this year, Jiulong Customs seized 5 kg of "ice" in May. Chongqing Customs smashed a criminal ring smuggling drugs into China from Burma and seized 2.1 kg of heroin. Since early this year, Gongbei Customs have discovered 32 drug cases at the exits to Macao. Beijing, Fuzhou, Wenzhou, and Harbin Customs have also cracked many drug cases. (Beijing RENMIN RIBAO in Chinese 24 Jun 96 p 4) Guangdong 'Remarkable Achievements' in Drug Crackdown

Over the last year and more a number of international drug trafficking groups have taken Guangdong as their trafficking channel. As a result, drug use and trafficking have run rampant, greatly endangering local public security. In light of the situation, public security organs across the province have launched a series of campaigns against drug-related crime and made remarkable achievements. From last October until June this year, they cracked 1,900 drug cases, discovered 24,000 drug addicts, arrested 2,699 criminals, and seized 1,280 kg of heroin. In April the Guangdong Public Security Department, with the assistance of Shenzhen and Yunnan public security organs, cracked the biggest cross-border drug case since the founding of the republic, seizing 590 kg of heroin, eight million yuan of drug money, 16 transport vehicles, and a number of tools and weapons.

From March to June, public security organs province-wide unearthed 13 cases in which 10 kg of narcotics were shipped each time, seizing 1,200 kg of heroin in all. (Beijing RENMIN RIBAO in Chinese 24 Jun 96 p 4) **Guangdong, Yunnan Seize 100 Kg of Heroin in Joint Effort**

With the close operation of Yunnan police, Guangdong police several days ago conducted two successful anti-drug operations in Puning City, Guangdong, seizing 116 kg of heroin with a high degree of purity and more than 3 million yuan in drug money. On 19 May, a Guangdong-Yunnan joint anti-drug squad arrested three drug-traffickers in a hotel in Puning City and seized in their rooms 34.82 kg of heroin, 400,000 yuan, and a car. The next day, the squad arrested Wu Chumin and Xu Jiongiong, principal members of a drug gang, in a mansion in the same city, and seized 2.87 million yuan in drug money, a BMW, and 4.2 kg of heroin. Later, the squad learned a drug offender had traveled to Dali, Yunnan, to purchase drugs, carrying a large sum of money. The squad immediately passed the information on to Yunnan police. On 23 May, Yunnan police arrested Chen Jianwei, who was a member of the Puning drug gang under Zhang Hewen, and two local drug traffickers Wu Yuwu and Wu Shunwu, and seized 3.65 kg of heroin in a "Dongfeng" goods vehicle. On 8 June, in a joint operation, police from Yunnan and Guangdong's Jieyang, Zhaoqing, and Puning Cities discovered a drug gang in Puning, arresting principal culprits Wang Shaoyu and Yang Xiongfei and seizing 73.27 kg of heroin and 300,000 yuan. (Hong Kong TA KUNG PAO in Chinese 25 Jun 96 p A3) **Fujian's Zhangzhou Police Nab Taiwan 'Ice' Trafficker**

Acting on a tipoff, Zhangzhou (Fujian) police stopped a minibus coming from Guangdong along the Changshan section along the 324 National Road, which leads to Guangdong, on 13 June, seizing 13 bags containing "ice" and detaining according to law four suspects, including Taiwan businessman Liu Ying-hsieh. Then, according to Liu, the police arrested another Taiwan drug trafficker, Chen Chih-ming. Chen told the police that he and Liu, as instructed by their boss in Taiwan, had tried to ship the "ice" from Huizhou, Guangdong, to Zhangzhou and then to Taiwan. Zhangzhou police said they had cracked three drug cases involving Taiwan businessmen since the beginning of this year. (Hong Kong SING TAO JIH PAO in Chinese 24 Jun 96 p A6) **Guangdong Rounds Up Escaped Criminals**

Since the "campaign to deal harsh blows at criminals," Guangdong has scored great achievements in pursuing and capturing escaped criminals. By 20 June, the police province-wide had arrested 4,819 important escaped convicts of all sorts. Over the last two months, Guang-

dong police have travelled to Xinjiang, Sichuan, Hunan, Fujian, Guizhou, and Guangxi and arrested important escaped criminals in succession. In late May, with the assistance of Sichuan and Hunan police, they captured 88 and 62 fugitive offenders, respectively. Over 20 criminals, who are Hunan natives, will also be escorted back to Guangdong in a few days. In the meantime, a large number of important escaped criminals from other provinces were also captured in Guangdong. Since the above campaign, Guangdong has helped other provinces capture 511 escaped convicts. (Hong Kong WEN WEI PO in Chinese 2 Jul 96 p B4)

PRC: Supreme Court Announces Six 'Criminals' Executed

OW0207145396 Beijing XINHUA in English
1411 GMT 2 Jul 96

[FBIS Transcribed Text] Beijing, July 2 (XINHUA) — Six criminals, all male, who were found guilty of theft, robbery and murder by Chinese courts, were executed this morning, the Supreme People's Court (SPC) announced at a press conference here this afternoon.

"We should deal relentless blows at those who commit crimes in defiance of the ongoing anti-crime campaign," said SPC vice-president Liu Jiachen.

Yang Xuegong, a 27-year-old self-employed man from east China's Shandong Province, was convicted of robbery, murder and larceny.

Huang Hu, 24, a worker from south China's Guangxi Zhuang Autonomous region, was found guilty of robbery and murder.

Li Ming, Zhang Shengmo, and Zhang Anguo, peasant farmers from northwest China's Shaanxi Province, were convicted of robbery and murder.

Wang Xiaodong, 22, a worker from this capital city of Beijing, was found guilty of robbery, theft and vandalism.

According to the vice-president, the six were sentenced to death penalty by local people's courts in full accordance with China's law.

Many criminals who hoped to be granted leniency from the courts, have surrendered to the police since the national anti-crime campaign was launched on April 28. As a result, social order across the nation has improved, Liu said.

However, a small group of hardened criminals, some with records of re-education through forced labor or have served prison terms, continue to commit crimes in defiance with the anti-crime campaign, and have brought great harms to society, Liu said.

"If a criminal deserves the death penalty by law, he or she will get the sentence," said the vice-president. "Otherwise we cannot provide a good environment for the great masses of people."

PRC: Zhejiang Meeting on 'Strike Hard' Campaign
OW0207034496 Hangzhou ZHEJIANG RIBAO
in Chinese 14 Jun 96 pp 1, 3

[Unattributed report: "Standing Committee Session of Provincial Party Committee Urges Localities To Give Prominence to Focal Points, Mobilize the Masses, Expand Achievements, and Carry Out 'Strike Hard' Struggle in-Depth"]

[FBIS Translated Text] The provincial party committee held a Standing Committee session on 12 June to sum up the previous phase of "strike hard" work and study and make a plan for the next phase of the work. Wan Xueyuan, deputy secretary of the provincial party committee and governor, presided over and addressed the session. Si Daxiao, Standing Committee member of the provincial party committee and deputy head of the leading group for severe crackdown on crime, made a report on the province's "strike hard" struggle.

The session fully affirmed the remarkable achievement the province scored in the previous phase of the struggle. In the struggle to severely crack down on serious crimes, which was launched at the end of April, a number of highly influential, vicious, and long-pending major and important cases, which remained unsolved for a long time, were cracked; criminal gangs of hooliganism and evil forces which dominated, committed all manners of crimes, and seriously disturbed public security in a locality and which were bitterly hated by the masses, were wiped out; serious criminal gangs which repeatedly committed collective murder, robbery, theft, pornography, gambling, drug-related, and other crimes were smashed; runaway offenders guilty of the most heinous crimes were captured; a number of criminals who gravely jeopardized public security were punished promptly and severely and according to law; a number of dens for illegal manufacture and trading of guns and explosives and prostitution dens were destroyed; and confused public security in some places, trades and road sections was rectified. The "strike hard" struggle, which was great in strength and impetus, gave heavy blows at criminals swollen with arrogance and it was applauded by the broad masses.

The session conscientiously summed up the province's experience in the previous phase of the "strike hard" struggle. 1) Party committees and governments at all levels attached great importance to the struggle, with leaders personally making plans for and directing the

struggle. 2) Leaders at all levels of public security organs, procuratorial organs, people's courts, and judicial organs and the broad rank of police officers and men as well as armed police officers and men closely coordinated in the struggle with immense political zeal. 3) Multiple forms were adopted to conduct propaganda and education and the masses were mobilized extensively, thus building up a powerful momentum for the "strike hard" struggle. Lively cases of persons who upheld justice and bravely fought with criminals emerged in cities and towns. Nevertheless, we should also soberly notice: The "strike hard" struggle varies from place to place; a number of important, major, and long-pending cases remain unsolved; and propaganda and mobilization efforts are still inadequate. This being the case, we should have a full and clear understanding of the "strike hard" struggle's arduousness and complexity, thoroughly mobilize the masses, make vigorous efforts to crack major, important, and long-pending cases, adopt powerful measures, and strengthen weak links to ensure the struggle's smooth progress.

Based on the proposals offered by the Standing Committee members during their discussions, Wan Xueyuan pointed out: In the next step of the "strike hard" struggle, further ever strenuous efforts should be concentrated on giving prominence to focal points of the struggle. With cracking of cases, capturing of runaway criminals, wiping out of evil forces, and banning of drugs as the main targets, we should put the stress on important and major cases so that another batch of important, major, and long-pending cases will be cracked; another batch of runaway serious criminals will be captured; another batch of criminal gangs, evil forces of hooliganism, and criminal gangs of a nature of underground criminal societies in particular, will be thoroughly ferreted out; another batch of dens harboring criminals, dens for drug addiction and trafficking, manufacture of guns, and for printing and selling of pornographic publications in particular, will be smashed, with the stress on rectifying places and sections where public security is insecure; and thus the "strike hard" struggle will be uplifted to a new level. Party committees and governments at all levels should guard against slacking up their efforts, continue to develop the spirit of launching consecutive operations, strengthen leadership and organization of the "strike hard" struggle, and actively and willingly help political and law departments solve difficulties in work and livelihood. Public security organs, procuratorial organs, people's courts, and judicial departments should continue to implement the policy of punishing criminals sternly, promptly, and according to law, further strengthen cooperation and coordination, rapidly arrest, prosecute, and punish criminals involved in major and important cases, improve the quality of handling

cases, and strike at criminals surely, accurately, and relentlessly.

Wan Xueyuan stressed: It is necessary to further strengthen public opinion and propaganda and more extensively mobilize the masses. News organizations should continue to report more on the "strike hard" struggle by making use of television, radio, newspapers, and other media means, give wider publicity to heroic and advanced deeds of the broad ranks of police officers and men and the broad masses of people, boost the masses' confidence, and stimulate the masses' enthusiasm for participation in the "strike hard" struggle; institutions, enterprises, and units should take the initiative in coordinating with political and law departments and do a good job of conducting propaganda on the "strike hard" struggle in their own jurisdiction; and grass-roots units should strengthen education among the people coming from outside Zhejiang. It is necessary to fully mobilize the masses by carrying out extensive and intensive propaganda and education, guide and organize the masses to further expose and denounce criminals, help political and law departments do a good job of massive investigation of criminals, and actively and willingly struggle against criminals, so as to form a social atmosphere in which everyone is concerned about, supports, and participate in the "strike hard" struggle.

Wan Xueyuan pointed out: Safeguarding social stability is a long-term task. It is necessary to seize the opportunity of the "strike hard" struggle, comprehensively manage public security, and strengthen the responsibility of leaders at all levels of "keeping a locality safe and sound." In line with the principle of "those in charge should hold themselves responsible," party committees and governments at various levels should effectively

strengthen leadership and coordination of the work, implement the comprehensive public security management responsibility system to the letter; conscientiously carry out the annual activities of the building of grassroots units for comprehensive public security management, put the stress of the work on strengthening the building of town and township, neighborhood, and village committees and on mass prevention and mass treatment; bring the strong points of grass-roots organizations of political power in maintaining close ties with the masses into full play and mobilize and organize the masses' ability to keep a lookout and participate in public security management; and combine "crackdown, prevention, management, and education" into an integral whole. It is necessary to strengthen the safety precautions of key departments and selected units, the internal management of security work of various institutions, enterprises, and units, and the registration and control of the population coming from outside the province. It is necessary to do an effective job of conducting propaganda and education in knowledge about law among the entire people, make particular efforts to strengthen propaganda and education in the legal system among youngsters and students in middle and primary schools, carry out education among young law breakers with immense zeal so that they will foster a correct outlook on life and transform themselves into people who are useful to society. It is necessary to institute and improve a public security dynamic management system, a registration and control system of the population with a temporary residence status, a house-for-rent management system, and a patrol system within units and housing residential areas, perfect various rules and regulations, and push ahead the comprehensive management of public security.

General

PRC: SPC Spokesman on Managing Foreign Loans
HK2506025996 Beijing JINGJI RIBAO in Chinese
24 May 96 p 1

[Article by Gong Jiao (7895 8032): "Strengthen Macroeconomic Regulation and Control of Foreign Loans; Check Excessive Growth in Balance of Foreign Debts—Media Spokesman for State Planning Commission Answers Reporters' Questions"]

[PTS Translated Text for FBIS] Recently, the State Planning Commission [SPC] and the State Administration of Exchange Control [SAEC] formulated specific stipulations regarding the scope and method of the comprehensive management over medium and long-term foreign loans under aggregate control. This is an important move by China in utilizing foreign funds and it has drawn widespread interest. With regard to relevant questions, this reporter interviewed a media spokesman for the SPC.

[Gong Jiao] Why does China exercise comprehensive management over foreign loans?

[Unidentified spokesman] In recent years, in light of the new situation and problems in foreign loans, and to control excessive growth in the balance of foreign debts, avoid liability risks, and ensure effective state regulation and control of the size of investment in fixed assets, it has been necessary to exercise comprehensive management over foreign loans. For this reason, the SPC and the SAEC drew up specific regulations on the comprehensive management of foreign loans.

[Gong] How does comprehensive management under aggregate control differ from the past unified mandatory planned management? What improvements has it made?

[Spokesman] In terms of concrete operations, comprehensive management over foreign loans under aggregate control will adopt mandatory planned management and guidance planned management depending on the forms of borrowing and on liabilities for repayment. In terms of management, it is more in line with actual needs and is more flexible. For instance, in the short run, refunding will probably become a choice available for adjustments to a debt structure, which will proceed from actual conditions and be included as a whole in the scope of guidance management. In terms of concrete operation, it will be divided into two major classes, that is, adjustments to the interest rate and currency mix of debts and to the terms of loans. The former must be actively supported, which will simplify operational procedures, while the latter must be strictly verified, and from now on applications for foreign loans for new projects will be restricted. This is a significant improvement compared with the past unified mandatory planned management.

The SPC must secure the State Council's approval for additional mandatory foreign loans under an annual plan. It may be up to the SPC to make appropriate adjustments to the size of foreign loans under guidance planned management in light of actual needs. For local, departmental, and project units, either mandatory or guidance plans must operate within the approved limit of foreign loans, and no additional loans will be allowed without state approval.

[Gong] What is China's main target in the microeconomic regulation and control of foreign loans during the Ninth Five-Year Plan?

[Spokesman] To continue with the central principle of actively, rationally, and effectively utilizing foreign funds, China has to meet regulation and control targets in five respects: One, on condition that debt security is ensured, China should grasp the opportunity to appropriately increase the size of foreign loans for major national reconstruction. Second, in addition to supporting infrastructural facilities, key and pillar industries, and other major projects which yield good benefits, it should appropriately increase capital in export projects for earning foreign currency so as to ensure its ability to repay external debts. Three, it should continue to readjust the debt structure and try to utilize more long-term preferential loans and to correspondingly reduce the proportion of commercial loans with greater risks and shorter terms. Four, more than 60 percent of preferential loans from foreign governments and international financial institutions should be used in the central and western regions. Attention must be paid to choosing infrastructural projects which can give play to the advantages of the central and western regions and can resolve major problems in their economic and social development. Five, further readjustments to the currency mix of external debts should be made so that it will be in line with the currency mix of foreign exchange receipts and reserves.

[Gong] What immediate significance does strengthening and improving microeconomic regulation and control of foreign loans have?

[Spokesman] Since reform and opening up were implemented, a large foreign capital inflow has played a positive role in China's sustained and rapid national economic growth. Meanwhile, we should also see that up to the end of 1995, China's balance of foreign debt topped \$106.59 billion, making it the third largest debtor nation among developing countries. As the inward and outward remittance of foreign loans as an important part of capital items has a tremendous impact on both international payments and the balance of payments in foreign currencies, it is necessary to strengthen their management and ensure that foreign loans are in line with our repayment ability.

PRC: Economists Look to Stable, 'Soft Landing' in 199696CED330A Beijing JINGJI CANKAO BAO in Chinese 8 May 96 p 1*

[Article by Gao Lu (7559 7216): "State Statistics Bureau and CASS Task Forces Make a Joint Forecast That There Are Prospects That the Chinese Economy Will Start To Make a 'Soft Landing' in 1996"]

[FBIS Translated Text] Has the time arrived for our economy to make a "soft landing," or for its growth rate to decline to a stable level for the first time since mid-1993? What macroeconomic regulation and control [R&C] remedies do we need to take in 1996? What are our directions and dynamics? Recently, a China Academy of Social Sciences [CASS] task force on "Economic Conditions: Analysis and Projections" and a State Statistics Bureau task force on "Macroeconomic Analysis and Projections" published in Beijing their "Report on China's Economic Conditions: Analysis and Projections (1996 Spring Report)," providing analysis and projections on these questions.

The report notes that: On current macroeconomic policy terms, short of a severe natural disaster and, if the scope and force of price-raising steps by all areas are cautious and reasonable, our 1996 macroeconomic operations will quite stably continue to approach our macroeconomic R&C goals, with prospects that our economy will start to make a "soft landing," to give a fine start for our Ninth Five-Year Plan. As China's macroeconomic R&C achieved marked success in 1995, with our macroeconomic indexes such as economic growth rate and inflation having essentially met their set goals, we are now in the most favorable situation since mid-1993 when we started to tighten our macroeconomic R&C. But we still have many potential and deeper conflicts in need of resolution, mainly the still quite high inflation, slow state enterprise reform progress, with considerable production and operating difficulties, agriculture remains a weak link in our national economy, and there is a still quite chaotic economic order.

The projections for 1996 are that: The overall state of operations of our national economy will be reasonable growth in the midst of general stability. Our GDP growth rate will remain essentially as it was in 1995, at around 10 percent, with our primary industry value added growth rate slightly lower than in 1995, and our secondary and tertiary industry value added growth rates essentially the same as in 1995, respectively at around 13.4 percent and 8 percent.

Our national investment of fixed assets [IFA] will reach about 2.3 trillion yuan in 1996, for nominal

growth of 18.3 percent, real growth of 10.5 percent, and an investment rate of approximately 32.8 percent. In contrast to 1995, the decline in our investment growth rate will be quite weak, with our investment rate being down around 1 percent.

While our inflation situation will continue to improve somewhat in 1996, the decline in all of our price indexes will be smaller than in 1995. And our national retail commodity price index will rise about 10.5 percent.

In addition, our national retail commodity sales and individual incomes will both essentially continue their stable growth momentum; our balance of receipts and spending should continue to improve somewhat, our finance and banking operations are slightly brisker in the midst of general balance, and our imports and exports essentially are balanced, with neither a very large trade surplus nor deficit.

This situation report holds that: In 1996, China's national economic operations will remain essentially stable, with our economic growth continuing at a quite rapid rate. China's 1996 national economic operations will continue to be somewhat better than in 1995, which will be seen mainly as 1) our inflation rate will continue to fall somewhat from 1995 and 2) our investment rate will also decline somewhat, helping to prevent new economic "overheating." But meanwhile, our national economic operations will still have two quite marked features: 1) On the one hand, our economic growth rate will continue at a quite high level, with the successive years of obvious decline in our GDP growth rate since 1993 slowing markedly to change to a state of essentially the same as in 1995. But on the other, there are also factors that will restrain too fast an economic growth; 2) While our inflation will continue to decline, that decline will slow markedly. While the rise in our national retail commodity price index is likely to be around four points from 1995 to 1996, it was nearly seven points from 1994 to 1995, showing that it will be harder to bring our inflation down to single digits.

While China's macroeconomic operations will remain essentially stable in 1996, they will be characterized by a markedly weaker GDP growth rate decline and a slower inflation decline, leaving both our economic growth rate and inflation at relatively high levels. So our 1996 economic operations will consequently have two possible effects on the remaining [four] years of the Ninth Five-Year Plan:

1. If our macroeconomic R&C is reasonable in 1996, we will take another large step toward meeting our macroeconomic R&C targets, essentially succeeding in making a "soft landing" in 1996, while creating positive terms for a full "soft landing" — bringing inflation down

to single digits — in 1997. If this possibility is realized, we project that for the remaining years of the Ninth Five-Year Plan and on into the early part of the next century, China's national economy will certainly enter a new age of sustained, rapid, and sound development.

2. If we ease our macroeconomic R&C too much in 1996, stopping our "soft landing" to leave our economy on a forced takeoff grounded in "dual-high" figures, then we are very likely to see a recurrence of the order of an unsuccessful "soft landing," to consequently touch off economic "overheating" and even high inflation. That would force us to keep busy during the whole Ninth Five-Year Plan putting out the fires of "overheating," even forcing us to make another "adjustment," which would be quite adverse to meeting our long-range economic aims and establishing and perfecting our socialist market economy.

The specialists who wrote this report note that: As there is a certain gap between the report's projected results and the set macroeconomic R&C goals for 1996, or GDP growth of 8 percent and national retail commodity price rises of around 10 percent, that shows the keen importance of, as well as the considerable difficulty in, continuing tight macroeconomic R&C in 1996. The difficulty is mainly that our macroeconomic R&C goals are more complex, making stronger demands on balance and coordination than in previous years. On the one hand, while persisting in a reasonably tight policy, we need to make the right adjustment in our dynamics to ensure the preservation of an appropriate economic growth rate, and to create the necessary terms for state enterprise reform progress. But on the other, we also need to insist on making inflation control our primary macroeconomic R&C mission, striving to complete our "soft landing" as quickly as possible, to prevent a recurrence of high inflation due to an unsuccessful "soft landing," which would finally force us to make a major adjustment.

***PRC: Importance of State Enterprise Reform Outlined**

96CE0289A Beijing QIYE GUANLI [ENTERPRISE MANAGEMENT] in Chinese 20 Feb 96 No 4, , pp 4-6

[Article by State Asset Management Bureau Deputy Director Ju Qingqi (7263 1987 7784); editor, Zhao Zhengsheng (6392 2398 5116): "State Enterprises Face Strategic Reorganization"]

[FBIS Translated Text] "We should conduct strategic reorganization of state enterprises by circulating and reorganizing accumulated assets." This phrase raised reorganization of state enterprises to the strategic level. People who are concerned about enterprise reform

all know that this formulation still is first in central government documents.

What is called strategic reorganization means, beginning from the perspective of doing a good job on the overall national economy, once again establishing the functions and the roles of state enterprises in the national economy and determining the disposition of state assets in the national economy under socialist market economic conditions, and using this as a basis to adjust and restructure the industrial structure and the organizational structure and the overall arrangement of state enterprises, simultaneously improving economic quality and performance.

Combine Stressing Adjustment of Accumulated Assets With Optimum Increases in Investment

According to statistics from the 1994 Annual National Report on State Assets, with the exception of military industrial enterprises, total state enterprise assets throughout the country were approximately 7.9 trillion yuan and net assets totaled 2.3 trillion yuan. At the same time, every year the state treasury still invests several tens of billions of yuan in state enterprises, developing an expanding national economy. But depending only on adjusting the industrial structure and arrangement of state enterprises with total assets of nearly 8 trillion yuan by annual new increases in investment of only 2-3 percent of total net accumulated assets to change the irrational distribution of assets and industrial structure that have formed really is an utterly inadequate measure and it will be difficult for it to be effective in a short period of time. So, guided by industrial policy, the focus of strategic reorganization of state enterprises is to promote the circulation and reorganization of state assets and activate accumulated assets by using market mechanisms to optimize distribution of resources.

Once Again Establish the Function and Role of State Enterprises in the National Economy.

The primary issues in achieving strategic restructuring of state enterprises are what kind of structural framework and goals are established for the state economy and what kind of orientation is followed in promoting circulation and restructuring of state assets and activation of accumulated assets.

General Secretary Jiang Zemin said that in maintaining public ownership as the main body, we should have a good grasp of the four principles. One of the principles is "the state economy occupies the dominant position in important sectors and key areas related to the lifeline of the national economy." Another principle is "the state economy plays a leading role in the development of the entire economy." The functions and roles that state

enterprises should have in the state economy can be divided into two major categories:

The first category is the function of ensuring national security and social stability and exercising the state enterprise role of consolidating and stabilizing the socialist system. For example, setting up such state monopoly industries as national defense industries, aerospace industries, nuclear industries, and mints and industries for the benefit of the public such as municipal water, electricity, gas, public transportation, environmental protection, finance and insurance, and social welfare.

Another category is the function of controlling the national economic lifeline and making macro adjustments to the development of the national economy and exercising the state enterprise role in supporting, being a mainstay to, directing, and adjusting the national economy. For example, setting up national and multiregional infrastructure and basic industries, mainstay industries, and forerunner industries such as in large water conservation, energy, railroad, post and telegraph, and communications industries as well as metallurgy, petroleum, chemical industry, machinery and electrical equipment, automotive, and new high technology industries.

These two categories of functions are determined either because these industries are so important to the national economy that they must be state monopolies or controlling stock or because their economic performance or scale causes regional or non state enterprises not to want to run them, not to be able to run them, or to run them poorly and they must be managed by solely by state proprietorship or controlling stock or stock participation.

The Key To Strategic Reorganization of State Enterprises Is Classifying Them as Guiding and "Supporting the Big and Being Flexible With the Small"

According to figures from the State Bureau of Statistics, at the end of 1994, China had a total of 5,193 large and extra large industrial enterprises, making up 5.03 percent of separately accounted state industrial enterprises, but their total industrial output value and product sales income came to about 60 percent, their net assets were nearly 70 percent of total net assets, their profit taxes made up approximately 76 percent of total profit taxes, and their submissions to the treasury made up 82 percent of the total for industrial enterprises. Also according to statistics of the 1994 Annual National Report of State Assets, the 500 outstanding state enterprises with the best overall economic performance in number only made up 0.22 percent of all state enterprises throughout the country, but their total assets made up 36 percent of the total assets of state enterprises throughout the country, and 49.3 percent of net assets, their profit taxes

realized made up 78.4 percent, profits realized made up 51.9 percent, and average ratio of assets to liabilities was 59.28 percent, fourteen percentage points lower than the national average. Among them a total of 232 large and extra large state enterprises had net assets of 1 billion yuan or more with an actual per capita profit tax of 10,190 yuan paid. Another 268 were large enterprises with net assets from 280 million yuan to 1 billion yuan and actual per capita profit taxes of 7,950 yuan paid, all higher than the average for ordinary medium-sized and small state enterprises.

These statistical data fully show that China's managed state assets are mainly concentrated in large and extra large mainstay state enterprises and are especially concentrated in infrastructure and basic industries and mainstay industries directly subordinate to the central government that are related to the national economic lifeline and the national economy and people's livelihood. These enterprises have become the backbone and the core of their industry and their region. They not only act as a support, a mainstay, and a guide to the entire national economy, at the same time they play a key role in macroeconomic control of the national economy.

These statistical data also fully prove that the central government's strategic reorganization of state enterprises should "do a good job on the large ones and adopt flexible measures regarding the small" and "pay special attention to a group of large enterprises and enterprise groups" and the correctness of this wise policy. According to this strategic thinking of "support the large and be flexible with the small," we can conduct guidance by category based on the functions and roles of state enterprises in the national economy and adopt such different industrial policy orientations as reinforcement, encouragement, permission, restriction, and prohibition toward different types of enterprises as standards and guidance for conducting sound, rapid, and orderly reorganization of state enterprises throughout the country. For example, we can categorize them according to the following concepts:

The first category is state sole proprietorship industries, such as national defense industries, aerospace industries, nuclear industries, and such monopolistic industries as mints, post and telegraph, communications, and tobacco.

The second category is industries in which the state must have controlling stocks, mainly large basic, mainstay, and forerunner enterprises and enterprise groups that are related to the national economic lifeline, such as large scale water conservation, energy, metallurgy, railroads, harbors, petroleum, the chemical industry, machinery and electrical equipment, automotive, and new high

technology industries, as well as finance, insurance, and municipal public utilities.

The key to the "support the large and be flexible with the small" strategic thinking is "support the large." Only if we get a grip on large state enterprises can we get a grip on the main contradictions of the state economy. Only if we do a good job of supporting and enlivening large state enterprises can we get a firm grasp on the lifeline of the national economy and the regulatory authority for the macro-economy. So, the state should support and encourage the first and the second categories of large enterprises both with funds and with policy so that their sound development can constantly increase.

The third category are industries into which state capital is generally not invested, including ordinary competitive processing industries and service industries, such as some light industries, handicraft industries, retail industries, food and beverage industries, and intermediate service industries as well as various types of small enterprises. We also should, by means of compensated transfers, gradually withdraw state capital that has earlier been put into small industrial enterprises of these types.

The fourth category is that we should in accordance with the Bankruptcy Law invoke bankruptcy action on the small number of medium-sized and small enterprises that do not have capital to offset their debts, have no hope of turning around their losses, and have no developmental prospects. Certainly, we should treat enterprises that need to undergo bankruptcy carefully and we should strictly control the number, paying special attention to making proper arrangements for the employees of bankrupt enterprises.

Conducting Structural Reorganization of the Property Rights of State Enterprises Is the Organizational Guarantee for Establishing a Modern Enterprise System and Converting Enterprise Management Mechanisms.

The basic characteristics of the modern enterprise system are "clear property rights, explicit rights and responsibilities, separation of government and enterprises, and scientific administration." This type of system is produced and developed out of the need to adapt to large-scale social production and competitive market mechanisms and is extensively adopted now by enterprises of countries throughout the world. These are precisely the basic characteristics that the vast majority of China's state enterprises currently lack. So, we should carry out reforms in accordance with modern enterprise system goals.

In line with China's current situation, most state enterprises should gradually reorganize into limited liability companies, because this type of company has advantages such as flexible organizational structure, raising of funds and stockholders that can be a few or many; it is easy to manipulate and to effect transition, and reorganization costs are low. Qualified state enterprises can organize limited liability companies in numerous forms, including using newly introduced funds to participate in stocks, merging and participating in stocks, purchasing some accumulated assets and participating in stocks, organizing enterprise groups and participating in stocks, changing creditor rights to shares and participating in stocks, changing loans to investments to participate in stocks, introducing foreign funds to participate in stocks, and legal person joint management or mutual investment exchange of stocks. State sole proprietorship enterprises, with the exception of an extremely small number of very secretive industries, such as national defense industries and mints, also should use a few principal state investors to form limited liability companies either by investing or by transferring stocks for joint stock participation.

The aim of establishing a modern enterprise system is to convert management mechanisms of state enterprises so that the enterprises can truly become legal persons of the market economy and principal market competitors. Whether they are limited liability companies or limited share companies or the newly developing cooperative stock system enterprises, these are all different organizational forms of the modern enterprise system. They all have common characteristics: diversified principal investors, clarification of property rights ownership, limitation of property responsibility, legalization of government and enterprise duties, scientific administrative structure, and autonomous management and administration. These "sixizations" of the modern enterprise system provide reliable organizational guarantees that state enterprises will systematically convert management mechanisms.

Organizing a Group of Large State Controlled Stock Companies and Large Enterprise Groups Is the Path That Must Be Followed To Achieve Results in Economy of Scale and Allow Them to Play a Leading Role in the State Economy.

In the current acute market competition, only those enterprises that have abundant economic and technical strength can establish themselves in an unassailable position in the domestic and foreign market. Actually, in a certain sense, large enterprises and enterprise groups with abundant strength are symbolic of state economic and technical strength. For example, such companies as Ford, General [Motors], and IBM are representative of the United States; Matsushita, Toyota,

and Mitsubishi are representative of Japan; Siemens and Volkswagen (?) are representative of Germany; and Hyundai, Daewoo, and Samsung are representative of Korea. China currently still does not have a large industrial enterprise that has entered the world's top 500 industrial enterprises, indicating that there still is a rather large disparity in the scale and the economic power of China's large state enterprises. So, it has become an important task of the strategic reorganization of state enterprises to use market mechanisms and cultivate and develop a group of large state enterprises and large enterprise groups that can contend with world famous large industrial enterprises on the international market.

***PRC: New Tariff Impact on Machine-Building Industry Weighed**

96CE0265A Beijing JIDIAN RIBAO in Chinese
18 Apr 96 p 2

[Article by Cui Shixin (1508 0577 0207), Director of Department of International Cooperation under Ministry of Machine-Building Industry: "Impact of 1996 Import Tariff Policy on Machine-Building Industry"]

[FBIS Translated Text] China's general tariff rate dropped from 35.9 percent to 23 percent beginning 1 April 1996, of which the machinery products (excluding motor vehicles) declined from 21.73 percent to 15.86 percent. Clauses on tax reduction and exemption were abolished. These measures have a tremendous impact on developing China's policy of reform and opening-up and on establishing its socialist market economic system. They are of great significance in winning the three major campaigns put forward by the 1996 national conference on the work of machine-building industry during the period of the "Ninth Five-Year" Plan where China's machine-building and automobile industries must concentrate their efforts to improve their production quality, optimize their organizational structure and enhance abilities for development, in developing the industries with science and technology and in entering the first stage for revitalizing the economy. Meanwhile, these measures will directly affect the imports of mechanical and electrical products and the policy decisions of various machine-building enterprises in carrying out production and business relations.

The 1996 policy on import tariffs clears up the policy-oriented provisions of tax reduction and exemption, which do not conform with international practice. It will help state-owned enterprises enjoy the same treatment as enterprises with foreign investment, and creates conditions for state-owned enterprises to compete with foreign businesses on an equal basis.

Customs duties and the import turnover tax are important means to exercise macro-control over the economy. Also, they are the major sources of revenue for the central authorities. Right now, the nominal tariff rates in China are higher than the average tariff rates in developing countries, but the actual taxes levied are quite low in our country. A great deal of taxes are reduced and exempted because of policy. They mainly include materials imported for projects with foreign investment, projects for technical transformation, Chinese-foreign joint ventures, cooperative enterprises and enterprises solely owned by foreign capital, and special economic zones. Most of such imports are mechanical and electrical products. It can be said that the mechanical and electrical products made in China have been basically competing with tax-exempt imported products for the past several years. Meanwhile, enterprises manufacturing mechanical and electrical products in China have to pay import duties for the crucial parts imported and used for the development of imported technologies. All this creates an environment of unfair competition. The machinery produced in China is of low quality. It is unstable and less reliable. Our machine-building industry is not well organized. Many departments in the industry are repetitious in function and scattered all over the country. Under these circumstances, it is hard to grow rapidly. Also, its ability to develop itself independently is limited, and it has less staying power for growth. As a result, the market share of many of the machinery products is everywhere dropping. It really worries us. The provisions formulated by the State Council to clear up policy-oriented tax reduction and exemption will help China's economic system to dovetail with international practice; build a mechanism of equal competition for the development of the socialist market economy in China, and promote a healthy development of our national economy. They will help the state to effectively and rationally assess its various investment projects, and revitalize and develop the machine-building and automobile industries in the country.

New import taxation policies will basically halt tax reduction and exemption for imported commodities. It will impose customs duties and the import turnover tax on imports according to the statutory tariff. It will make end users who originally planned to use imports to choose Chinese-made equipment, and help revitalize large and medium-sized state-owned enterprises.

Importers who originally enjoyed tax reduction and exemption will have to pay taxes according to new rates (including 17 percent value-added tax). A preliminary estimate shows that the cost of imports will be increased by 43 percent for general-purpose machinery, 41 percent

for petrochemical machinery, 41 percent for heavy mining machinery, 35 percent for engineering machinery, 35 percent for farming machinery, and 41 percent for machine and hand tools. Of the machine tools, the cost of imports will be increased by 30 percent for numerically controlled lathes, and 41 percent for electrical machinery. For the electrical machinery, the cost of imports will be increased by 25 percent for thermal power generators with a generating capacity of more than 350,000 kw, 40 percent for thermal power generators with a generating capacity of less than 350,000 kw, 40 percent for hydraulic power generators, 35 percent for instruments and meters, 35 percent for basic machinery parts, and 41 percent for food and other packing machinery.

The new import taxation policies attach importance to readjusting tariff structure, detailing the tax items, and widening the gap in different import tariffs for raw and semi-finished materials, components and parts, and complete sets of machinery. They help enterprises in machine-building reduce their cost in importing major components, digest imported technologies, and promote technological progress.

The tax regulations which China implemented prior to 1 April, 1996 were gradually formulated on the basis of its first "Tariff Regulations" in new China in the early 1950's. Following the comprehensive reform of China's economic system and the daily expansion of its economic ties with foreign countries, tremendous changes have taken place in the structure of import and export commodities. The high tariff rates and the tariff structure formed under the highly planned economic system have been found irrational. This is mainly manifested as follows:

— In the structure of tax items, the tax items in the tax regulations were relatively vague in the past. They could not fully demonstrate the relevant industrial and tariff policies in importing major commodities.

— In the tax rate structure, tax rates for consumer goods were excessively high, while the gaps between rates for investment products, raw and semfinished products were relatively small. The tax rates for some raw materials were higher than those for finished products using such raw materials, making tax rates seem topsy-turvy. All this was harmful to developing investment products and industries in China.

In view of this situation, new taxation policies have been adopted on the basis of the following principle:

Efforts are made to lower the general tariff rate, while rationalizing the tariff structure. Emphasis should be placed on solving the problem of topsy-turvy tariff rates. The industrial policies should be implemented while

readjusting the structure of tax items. Tariff rates must be formulated and readjusted in accordance with the industrial policy.

On the basis of the aforementioned principle, a ladder shaped tariff rate structure linked with the degree of processing has been formed. The new taxation policies treat most electrical and machinery products as primary products (such as steel ingot), semi-finished products (such as rolled steel), finished products (such as machinery parts) and finely processed products (such as machine tools) in forming this structure. Meanwhile, they lower taxes for products on which tariff rates are high, and reduce taxes for products on which tariff rates are lower so that the tariff rate structure is conducive to developing the basic industry. According to a preliminary estimate, the tariff rates for major parts imported by machinery enterprises have been reduced by approximately 42 percent, and those for raw and semfinished products by approximately 45 percent. The cost of importing machinery is reduced by about 5 billion yuan each year.

The new import taxation policies have also added some tax measures in accordance with the following principle:

In order to do a good job in implementing the state industrial policy, taxes of different rates will be levied on listed commodities and other commodities of the same category. For example, pumped storage power generating sets with a power generating capacity of 200,000 kw are mainly imported for China right now. Before they were separately listed, they and the hydroelectric products were placed under the same category and tariff rate. The relatively high tariff rate for these power generating sets pushed up the production cost of the enterprises. After those 200,000 kw pumped storage power generating sets were separately listed, the tariff rate for these generating sets could be reduced. This helps develop China's power industry, while exerting little impact on the production of hydroelectric facilities in the country.

In order to help compile statistics of commodities listed in the tax regulations, some tax items have been added such as controlled atmosphere heat treatment furnaces, oxygenators, electric mining shovels, electrically discharging dumpers, automobile crane chassis and others.

New import taxation policies greatly lower the tariff and import tax rates for high and new technological products. They help various machine-building enterprises import advanced technologies and equipment, and raise standards in the machine-building industry. They also help machine-building enterprises improve the quality of their products, add more production varieties, increase the domestic market share of their products, open up the international market,

and achieve the goal of integrating imports with exports, using exports to promote imports, and utilizing imports to expand exports.

In working out the plan for readjusting tariff rates, we have made an estimate as to major products, and carried out studies and analysis of each tax item. We have kept the revenue of the state in mind, while insuring retention of a rational tariff structure. We keep our domestic needs in balance and maintain normal imports, while effectively protecting the national industry. With all this in mind, we have worked out a tax reducing plan while keeping the arithmetic mean tariff rate at 23 percent. This plan reduces tariffs on machinery products in the following manner. The tariff for general-purpose machinery is reduced from 26.8 to 19.2 percent, that for petrochemical machinery from 21.4 to 16.3 percent, that for heavy mining machinery from 19.8 to 16.2 percent, that for engineering machinery from 15.7 to 13.6 percent, that for farming machinery from 15.6 to 13.5 percent, that for machine and hand tools from 23.5 to 16.2 percent, that for electric machinery from 21.7 to 16.1 percent, that for instruments and meters from 22.7 to 16.2 percent, that for basic machinery parts from 17.7 to 13.3 percent, and that for food and other packing machinery from 19.5 to 14.6 percent.

In this plan, the tariff rates for some products connected with various enterprises are adjusted as follows:

— Electric and machinery products of an investment nature. These products are mostly key products imported by enterprises for developing technical innovation projects. Tariffs are greatly reduced for those products that enterprises are unable to obtain domestically and must import from abroad to develop technical innovations. Necessary minor adjustments have been made in tariff rates according to the changes in the tariff structure for those imported products, the tariffs for which are relatively reasonable. Tariffs are greatly reduced for products where supply fails to meet demands in the country and are in great shortage in order to achieve the goal of increasing the tax base. Meanwhile, measures have been taken to widen the gap between tariffs for parts and those for semifinished and finished products, and form a rational ladder shaped tariff structure in dealing with products in the same category. This has basically solved the problem of topsy-turvy tariff rates. According to the new plan, the average arithmetic tariff rate for electrical and machinery products of an investment nature is approximately 14 percent. The percentage of tariff reduction is about 36 percent.

— Mechanical and electrical consumer products. China has greatly expanded its production capacity, improved the production quality of mechanical and electrical

consumer products, particularly home appliances, and basically satisfied the demands in the domestic market. With the approval of the State Council, China had abolished the interim and special tax reduction and exemption regulations on mechanical and electrical consumer products last year. In order to help expand the tax resources and curb smuggling, tariff rates on some of the consumer products in this category have been reduced in an attempt to encourage legal imports and increase tax revenue. The average arithmetic tariff rate on such consumer products under the new plan is 43 percent. The percentage of tariff reduction is approximately 28 percent.

— Power generating equipment. China is already able to turn out mixed-flow and axial-flow turbines in batch production, and the quality of such products made in China has reached the world advanced level. It is also able to produce a certain amount of through-flow, impulse turbines and water pumped storage power generators. However, products in some varieties are still in short supply. Therefore, the new plan sets the tariff rate for through-flow turbines and water wheels with a power generating capacity of greater than 35,000 kw at 14 percent, that for impulse turbines and water wheels with a power generating capacity of greater than 30,000 kw at 12 percent, that for water pumped turbines and water wheels with a power generating capacity greater than 200,000 kw at a relative lower rate of 10 percent, and that for other water turbines and water wheels at 16 percent, while still applying the same tariffs for thermal power generators with a generating capacity of greater than 350 megawatt and 2,350 ton/hour; the new plan sets the tariffs for other thermal power generating equipment at approximately 20 percent.

— Machine tools. Considering the fact that the tariff rate for numerically controlled machinery was lowered since 1944 from 15 to 9.7 percent, which was lower than that in other developing countries, we have not lowered this rate further this time, and decided to maintain the current rate. The tariff rates for general-purpose machine tools is now between 25 and 35 percent. Although they are slightly higher, we decided not to lower them further, as China is now able to produce most machine tools at home and satisfy its needs. Therefore, only the tariff rate for metal-working machine tools was readjusted to approximately 18 percent and that for metal grinding machines was lowered to approximately 20 percent as there are still differences between such machinery imported and those made in China. A 25 percent tariff is set for all other ordinary machine tools so as to protect the domestic machine tools industry.

— Engineering machinery. By introducing advanced technologies from abroad, the engineering machinery

industry in China has expanded its production capacity, and improved production quality and after services. The majority of the products made in China are able to satisfy the needs in the country. However, imports including a large number of used machinery generally enjoy preferential treatment. This has battered the domestic enterprises, and created a negative growth rate in the engineering machinery industry during the past two years. Therefore, the tariff rate for engineering machinery is only slightly reduced from 20 percent to 16-18 percent.

— Cameras and copying machines. The existing tariff rates for cameras and copying machines are 50 percent and 40 percent respectively. The excessively high tariff rates have encouraged smuggling and irregular imports instead of helping control imports, protect the national industry, and increase the state revenue. Therefore, the new plan has readjusted the tariff rate for complete sets of copying machines to 25 percent and that for components and parts imported by domestic enterprises in production to 15 percent in order to crack down on smuggling and irregular imports. As for cameras, the tariff rates for components and parts are lowered. The tariff rate for assembled cameras is only slightly readjusted. It is still in the range of 40 to 50 percent.

— Industrial raw materials and semifinished products. These materials and products are extremely important imports for China. Their varieties and quantity are closely related with the speed and quality in developing the national economy. In order to protect the domestic resources and raise the effective rate of protection, we should adopt relatively low tariff rates for industrial raw materials and semifinished products. We should keep the tariff rates low for those resources that cannot be recycled. In accordance with the market supply and demand and the actual development in relevant industries, we should also adequately protect some industrial raw materials.

Applying a provisional tariff rate for some products which machine-building enterprises import in large quantities will help enterprises reduce their burden, raise their economic efficiency and quicken their step in carrying out reform.

The open provisional tariff rates are approved by the tariff legislative department. Applying certain tariff rates within a time limit on some specific commodities tallies with international practice. These specific commodities are divided into the following four categories:

— Commodities (such as power generating equipment and materials) that are in short supply in China. However, the state is making large investment for development. It is inadvisable to lower the legal tax rates. In dealing with commodities in this category, we should levy import taxes at a lower rate than that specified by the tax regulations before the amount of such equipment

and materials produced in China can satisfy the market demand. This will help ensure production by various enterprises. After the commodities produced in China are able to meet the domestic requirements, we should restore the use of the tariff rates specified by the tax regulations.

— In dealing with equipment that we need to import in support of major national construction and technical innovation projects and those commodities that cannot be produced in China or the quality of domestically manufactured products fails to meet

specifications, we should levy taxes according to provisional tariff rates during a certain period in order to carry out the industrial policy of the state (such as the five-axes ganged processing center and so on).

— In dealing with commodities with low tariff rates (such as auto-crane chassis) which are in short supply or cannot be produced in China, we may need to levy import taxes according to provisional tariff rates, because we are restricted by the tariff structure. We will disrupt this structure if we adjust the legal tariff rates before the new tax rates are actually enforced.

— Due to irrational tariff structure, there exists a phenomenon of tariff rates in topsy-turvy status. However, if we solve this problem by adjusting our tax regulations, it will affect the tariff rates for other products. In this regard, we should turn these tariff rates into open provisional tariff rates. For example, the tariff rate for gasoline engines used in power generating sets, for gasoline and diesel engines used in engineering machinery, in any power generating set, and in any engineering machinery, is set at approximately 16 percent, while that for just gasoline engines is at 20 percent. It is hard to distinguish a gasoline engine from the gasoline engine used in an automobile in terms of tariff rates.

The new tariff rates also exhibit some harmful effects on the development of the machine-building industry. From a short-term point of view, this will increase the cost in importing supplies for carrying out technical innovations and utilizing foreign investments; it will make machine building enterprises pay more taxes according to the regulations, and affect their economic performance. However, we must realize that these are the measures taken by the state in order to exert even greater efforts in carrying out reform, to open the country more widely to the outside world, and to gradually keep pace with international economic practices. Various enterprises should work hard to strengthen their internal management, and accelerate their growth in the course of bringing about the two changes [in the economic system and the mode of economic growth].

Taiwan: KMT Official Comments On Lake's Trip to PRC

OW0407151096 (Internet) Taiwan Central News Agency WWW in English 1432 GMT 4 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — A high-ranking Kuomintang (KMT) official on Thursday welcomed Washington's bid to help resume the Taiwan-Mainland China talks that were unilaterally suspended by Beijing last year, but he insisted that Taipei should command a dominant say in dealings with Beijing.

"We must not rely too heavily on any other country (for mainland policies), or Taiwan will be put in a passive position," Huang Yao-yu, director-general of the Kuomintang Department of Mainland Operations, told CNA.

The White House announced Wednesday that U.S. National Security Advisor Anthony Lake will visit Mainland China Thursday. He is expected to meet Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait (ARATS).

White House Press Secretary David Johnson, who will accompany Lake on the trip, said, "We will do what we can there to promote the resumption of cross-strait dialogue and to reinforce our position that the differences between Taiwan and China need to be resolved peacefully."

Noting that it has long been Washington's fundamental position not to interfere in Taiwan-mainland ties, Huang said the Clinton administration's fresh offer could be motivated by the U.S.'s year-end presidential election.

"Clinton certainly does not want to see any unstable developments in the Asian region," Huang pointed out.

Lake is also expected to touch on the Asia-Pacific security system in his meetings with the Chinese mainland's President Jiang Zemin, Premier Li Peng, Foreign Affairs Minister Qian Qichen, and National Defense Minister Chi Haotian.

Huang said he thinks Lake's trip will be conducive to easing the impasse in the Taiwan Strait, although Beijing has made it clear many a time that it strongly opposes foreign intervention in resolving Taipei-Beijing disputes.

Beijing has remained cool to Taipei's offer to restore regular talks between ARATS and Taiwan's Straits Exchange Foundation, the two quasi-official bodies formed to handle exchanges in the absence of official contacts.

Beijing halted the talks after ROC (Republic of China) President Li Teng-hui's landmark visit to the United States in mid-1995, claiming the visit was part of Taiwan's efforts to seek independence. Taiwan has denied the charges.

Taiwan: U.S. Security Adviser PRC Trip May Not Help Strait Impasse

OW0507110896 (Internet) Taiwan Central News Agency WWW in English 0932 GMT 5 Jul 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — US National Security Adviser Anthony Lake's upcoming visit to Mainland China may not necessarily help break the current impasse between the two sides of the Taiwan Strait, a senior Straits Exchange Foundation (SEF) official said Friday.

Li Ching-ping, a SEF deputy secretary-general, said Lake's July 6-11 mainland visit is mainly for US national interests and may not be helpful to the resumption of stalled cross-strait dialogue.

"It has been the United States' basic policy not to act as a cross-strait mediator since Washington switched diplomatic recognition from Taipei to Beijing in 1979," Li said, adding that the US was forced to intervene in the crisis in the Taiwan Strait last March simply because unstable Taipei-Beijing relations would eventually affect its own national interests.

Li said the first step to stabilize cross-strait relations is to resume bilateral dialogue. "As the US is anxious to see Taipei and Beijing resume talks, I'm worried that it might accept Beijing's 'one China' principle," he warned. Beijing's one China refers to the People's Republic of China (ROC).

"Since we cannot accept Beijing's 'one China' principle, it won't be good for Taiwan if the US agrees to Beijing's stance," Li noted.

He pointed out that the time is still not yet ripe to push for a cross-strait summit or signing of a peace agreement because the two sides are still divided on the definition of "one China."

Li said the SEF, a semi-official body founded by ROC authorities to handle cross-strait exchanges in the absence of official contact, has worked hard in recent months in an attempt to break the year-long impasse with the mainland.

On prospects for resumption of cross-strait dialogue, Li said it still takes an observation period. "I don't expect regular cross-strait dialogue to resume any time soon

due to several factors, including Taiwan's drive to re-join the United Nations, the US presidential election and a planned meeting between US Secretary of State Warren Christopher and mainland Foreign Minister Qian Qichen in the second half of the year."

Beijing unilaterally suspended regular dialogue between the SEF and its mainland counterpart, the Association for Relations Across the Taiwan Strait, last summer to vent its anger at ROC President Li Teng-hui's landmark visit to the US in June 1995. Beijing viewed Li's US trip as a move to promote Taiwan independence.

***Taiwan: Editorial Praises US-Japan Joint Security Declaration**

96CM0384D Taipei TZULI WANPAO in Chinese
18 Apr 96 p 2

[Commentator article: "Taiwan and the U.S.-Japan Joint Security Declaration"]

[FBIS Translated Excerpt][Passage omitted]

On this whirlwind Northeast Asian trip, Clinton stated clearly in Japan the U.S. hopes that the region would remain stable. He even made a clear-cut statement on the carrier Independence that the March crisis in the Taiwan Strait was resolved "without a missile being fired" due to the stationing of the powerful U.S. carrier fleet, which prevented any violence, describing that "peace force" as a model of U.S. might and spirit. Clinton's strongly stated position, carried with it an unprecedentedly clear position by Japan, which had never been willing to take a stand on the Taiwan Strait matter; we are deeply thankful. It shows the international acknowledgement of Taiwan's standing as a member of the Asia-Pacific region, with our security and aid affecting the region's stability, confirming the clear lesson that "virtue not forgotten produces good neighbors," as well as showing that the many years of efforts by the Taiwanese people, as well as our government's powerful pragmatic diplomacy of recent years, have certainly given Taiwan a good foundation.

We can predict that in coming years, the international might reflected in the U.S.-Japanese Security Agreement, with its "soft containment" of the PRC and North Korea, will effectively result in deterring any armed expansion. So in the future, in addition to fully living up to our regional obligations as a member of the international community, Taiwan needs even more to seize the time to build up our national might, quickly adjust our political and economic functions, and reinforce our self-defense capability, so that we can seize the time to take the initiative in holding talks with the mainland authorities on an equal basis.

Taiwan: Official: Yeltsin's Reelection Helpful to Ties With Moscow

OW0407150196 (Internet) Taiwan Central News Agency WWW in English 1432 GMT 4 Jul 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — A senior official with the Economic Affairs Ministry said Thursday that with the re-election of Boris Yeltsin as Russian president, he expects Russia will soon establish a liaison office in Taipei.

The official, who asked not to be named, pointed out that an agreement reached in 1993 between Taiwan and Russia calls for the two countries to exchange representative offices to strengthen their relations.

Taiwan has already set up a representative office under the name "Taipei-Moscow Economic and Cultural Coordination Commission" as stipulated in the agreement, the official said, but the "Moscow- Taipei Economic and Cultural Coordination Commission" hasn't yet been established in Taipei.

He said that the establishment of a Moscow representative office in Taipei will surely boost trade, investment, and civilian exchanges between the countries.

Trade volume between the two countries reached U.S.\$1.8 billion in 1995, soaring 43 percent from a year earlier, with Taiwan posting a trade deficit of U.S.\$1.4 billion.

Taiwan: New Envoy to Japan Vows To Open New chapter in Relations

OW0507105396 (Internet) Taiwan Central News Agency WWW in English 0755 GMT 5 Jul 96

[By Mike Chang and Lilian Wu]

[FBIS Transcribed Text] Tokyo, July 4 (CNA) — The new Republic of China [ROC] representative in Japan vowed to open a new chapter of ROC-Japan relations by flexing the ROC's political, economic, and cultural muscle.

Chuang Ming-yao, who assumed the post June 4, said Thursday that during the past month, he has called on four former Japanese prime ministers: Nakasone Yasuhiro, Noboru Takeshita, Toshiki Kaifu and Kiichi Miyazawa. He has also called on prominent figures in Japanese political fields, overseas Chinese and was interviewed by major Japanese newspapers.

It was encouraging to see that Japanese media are paying more attention to Taiwan, he said.

Chuang said that over the past month, he learned that most Japanese are friendly to and supportive of Taiwan, and they gave high marks to Taiwan's political and economic development under the leadership of President Li Teng-hui.

Chuang said that the Japanese also are concerned about the cross-strait relations and Taiwan's security, noting that Japanese political figures have expressed the hope that cross-strait problem could be solved through dialogues between the two sides of the Taiwan Strait.

He noted that in general, Japan adopts pragmatic attitude towards Taiwan, realizing that the security of Taiwan is closely related to that in Asia and Pacific and the world.

But he also pointed out that some Japanese are still afraid of offending Mainland China. He said that he will continue to communicate with them, hoping to convince them that there is a mutually beneficial relation between Taiwan and Japan.

Taiwan: Minister Urges Canada To Accept Taiwan Officials

OW0407094296 (Internet) Taiwan Central News
Agency WWW in English 0750 GMT 4 Jul 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — Foreign Affairs Minister Chang Hsiao-yen urged Canada to accept the visits of high-ranking Republic of China [ROC] officials.

Chang made the remarks at a farewell party Wednesday [3 July] for Vice Foreign Minister Fang Chin-yen, who will serve as ROC's representative to Canada.

Chang said that last year when he was trying to enter Canada from the United States, Canada rejected him on the grounds that the visit came at an inappropriate time, although he had obtained the visa. Chang was the minister of Overseas Chinese Affairs Commission then.

Chang noted that the trip came after President Li Teng-hui made a historic visit to the United States in June and the Chinese Communists were exerting pressure on other nations to keep their distance with Taiwan.

Chang said that though the situation improved, the problem persisted. He cited as an example that several government officials were planning to visit Canada last month, but only four of them made the trip. Those who were rejected included the new Minister of Overseas Chinese Affairs Commission James Chu.

Taiwan: Representative Office To Open in Belarus

OW0407093496 (Internet) Taiwan Central News
Agency WWW in English 0751 GMT 4 Jul 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — Taiwan is establishing a representative office in Belarus shortly to facilitate trade and economic exchanges with the former Soviet republic, officials from the Ministry of Foreign Affairs (MOFA) said Thursday.

The Taipei Trade and Economic Representative Office in the Belarus capital of Minsk is expected to become operational this week with Tuan Pei-lung being appointed the first representative, according to MOFA officials.

Tuan and an aide are currently in Minsk to make arrangement for the establishment of the office.

Taiwan and Belarus reportedly arrived at an agreement in a secret meeting in Taipei earlier this year on swapping economic and trade offices. The two countries formally announced on June 28 to exchange offices.

Belarus will be the second member of the Commonwealth of Independent States (CIS) to exchange liaison office with Taiwan. Taiwan opened an economic and trade office in Moscow in July 1993.

With the establishment of the Taipei office in Minsk, where the CIS headquarters is located, Taiwan's relations with other CIS members are expected to be further boosted, the officials noted.

According to the officials, Taipei hopes that Belarus will establish a counterpart representative office in Taiwan within three months. But Minsk has so far not promised to do that, citing budget restraints.

Foreign Affairs Minister Chang Hsiao-yen is said largely instrumental in initiating exchanges between the two countries. Chang headed a mission to visit Belarus in 1992 when he was a vice foreign minister. In 1993, Valeriy Tsyapkala, an advisor to Belarus President Alyaksandr Lukashenka, visited Taipei.

Taiwan: President Li Receives Panama Legislative Assembly President

OW0407083796 (Internet) Taiwan Central News
Agency WWW in English 0751 GMT 4 Jul 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — ROC [Republic of China] President Li Teng-hui Thursday received Panama's Legislative Assembly President Carlos R. Alvarado Acosta at the Presidential Office and extended warm welcome to him.

The ROC attaches importance to its friendship with Panama and hopes to continue strengthening cooperative ties with the Central American country, Li said,

adding that Taiwan is glad to offer its experiences to assist development in Panama.

Alvarado conveyed Panama President Ernesto Perez Balladarez's regards to Li and praised ROC's economic development, which could be a model for Central American countries.

Alvarado stressed that Panama will continue supporting the ROC in international community. Li asked Alvarado to convey his greeting to Balladarez.

Alvarado, leader of a seven-member parliamentary mission to Taipei, was accompanied by Panamanian Ambassador Carlos Alberto Mendoza during the audience.

Taiwan: Gambian Ambassador Presents Copy of Credentials

OW0507105196 (Internet) Taiwan Central News Agency WWW in English 0723 GMT 5 Jul 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — The Gambia's new ambassador to the Republic of China [ROC] Antouman Saho on Friday presented a copy of his credentials to Foreign Minister Chang Hsiao-yen.

Saho said in the meeting with Chang that he is proud to be the Gambia's first ambassador to Taipei after his country resumed diplomatic relations with the ROC last July.

"I will devote myself to promoting the cooperation and friendship between the two countries", the ambassador said.

The west African country resumed official ties with the ROC on July 13, 1995 after a 21-year hiatus.

Saho is scheduled to present his credentials to President Li Teng-hui on July 9.

Saho, 46, has served as the mayor of the Gambia's capital city, Banjul. He arrived in Taipei on July 2.

The Gambian embassy in Taipei began operations on June 27.

Taiwan: Task Force Set Up To Boost International Competitiveness

OW0507105296 (Internet) Taiwan Central News Agency WWW in English 0723 GMT 5 Jul 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — Vice President and Premier Lien Chan on Thursday presided over the first meeting of a "competitiveness upgrading task force," officially kicking off concrete steps to promote Taiwan's international competitiveness.

Lien, in his first press conference since he was re-appointed premier in early June, vowed to boost the ROC's global competitiveness to the world's top five by the turn of the century.

Lien, who will personally head the ad hoc group, said enhancing Taiwan's international competitiveness is a promise that the government will keep.

He stressed that the task is part of endeavors to modernize the country. During the process, not only Taiwan's wealth-creating capability will be enhanced, the country will become a better place to invest, to live, and to develop, he emphasized.

He noted that the task takes concerted efforts from both the government and the private sectors.

Meanwhile, Vice Premier Hsu Li-te pointed out that sharpening the country's competitive edge is not a slogan. It is hoped that by the beginning of the 21st century, Taiwan will become a country with advanced industries and good quality of life, he said.

The task force will set up seven working groups to handle macroeconomics, internationalization and business management, finance and banking, infrastructure, quality of life, manpower-technology, and cross-strait relations.

The Cabinet will review the performance of the seven working groups every three months.

Taiwan: Interior Ministry Establishing Immigration Law, Agency

OW0407102596 (Internet) Taiwan Central News Agency WWW in English 0921 GMT 4 Jul 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — Ministry of the Interior (MOI) has decided to establish an immigration agency and to draft immigration law to integrate the work and regulations now undertaken by different government agencies.

The draft immigration law will cover the following areas: 1. entry and exit; 2. immigration guidance; 3. visa processing; 4. naturalization; and 5. administration of foreign nationals.

Currently, the work is the responsibility of the Interior Ministry's Entry and Exit Bureau, National Police Administration, Overseas Chinese Affairs Commission (OCAC), and Ministry of Foreign Affairs, an official of the Interior Ministry pointed out.

The MOI has set up a task force to study the drafting of the immigration law and the establishment of the immigration agency, the official said, adding that members of

the task force will include representatives from Foreign Ministry; OCAC; Ministry of Personnel; and the Research, Development and Evaluation Commission under the Executive Yuan.

The MOI will refer the draft law to the Executive Yuan for screening in December.

Taiwan: Mainland Affairs Council Studies Cross-Strait Policy

OW0407142596 Taipei CHUNG-KUO SHIH-PAO in Chinese 29 Jun 96 p 4

[FBIS Translated Text] Kao Kung-lien, vice chairman of the Mainland Affairs Council [MAC], pointed out yesterday that the council was studying and evaluating a policy concerning cross-strait consultations and negotiations and economic and trade affairs. He said the outline of the policy and a timetable will be completed within two weeks, which will be used as a reference for drawing up a strategy and making decisions on developing cross-strait relations.

He said: The sketch of the policy was completed in February or March this year, but evaluation of the policy was delayed due to the unstable cross-strait situation. The policy was originally aimed at some specific issues, but now its scope has been broadened to cover issues at various levels.

He said: The outline of the policy includes two major parts — cross-strait consultations and negotiations, and important issues on cross-strait economic and trade affairs. MAC will submit an analytical report on cross-strait consultations and negotiations, which is being studied by Vice Chairmen Lin Chung-pin and Hsu Hui-yu.

MAC stressed that important issues on economic and trade affairs should first be studied by respective organs in charge before they are further discussed. It said: Consideration has been given to establishing cross-strait postal and telecommunications links and allowing the service trade to invest on mainland China, and positive planning has been made. MAC will carefully evaluate important issues.

Taiwan: MOEA Approves Additional 'Mainland' Investment Projects

OW0407102496 (Internet) Taiwan Central News Agency WWW in English 0922 GMT 4 Jul 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, July 4 (CNA) — The Ministry of Economic Affairs (MOEA) on Thursday approved eight investment projects worth US\$56.8 million in Mainland China.

Tsai Lien-sheng, executive secretary of MOEA's Investment Commission, said that the eight investment proposals included a US\$30 million artificial fiber plant project by Yuan Ding Investment Ltd. and a US\$14 million plan by Nan Ya Plastics to establish a polyurethane artificial leather plant on the mainland.

He said that this was the first PU leather plant case since Taiwan opened the mainland investment. Nan Ya Plastics Corp. is a subsidiary of Taiwan's petrochemical giant — the Formosa Plastics Group.

Yuan Ding Investment Ltd. is a subsidiary of Far Eastern Textile Ltd., a leading textile maker.

Tsai noted that Taiwan's mainland investment applications are increasing in recent months. The number of investment projects surged to 51 in April and 42 in May, compared to 22 in March.

Meanwhile, the commission indicated that relevant government agencies have reached agreement to lift the ban on mainland investment by insurance industry.

The MOEA allowed the securities industry and other 451 items of the manufacturing industry to invest in the mainland on June 8.

So far, most of Taiwan investments on Mainland China concentrated on transportation equipment, food and beverage, basic metal processing, electronics and electrical appliances, and chemical industries, according to the ministry.

***Taiwan: Law Professor Opposes Coalition Cabinet**

96CM0384A Taipei TZULI WANPAO in Chinese 17 Apr 96 p 3

[Article by Lee Ku-hsi (2621 7698 4406): "On Understanding the Relations of Democratic Constitutionalism to a Coalition Cabinet — A Discussion of the Fantastic Ideas of a Few DPP Figures"]

[FBIS Translated Excerpt][Passage omitted]

Leaving aside the legal theory and historic practical experience of democratic constitutionalism [democratic government], in light of current Taiwan politics, particularly the objective reality of party power operations, this is still not the best place or time to speak of a coalition regime.

1. Despite the Democratic Progressive Party's (DPP) many losses in this presidential election, the DPP Central Committee is still fond of "grand-reconciliation coffee klatches" and infatuated with a "coalition cabinet," with the consequent sharp loss of public support being a well known and undeniable fact. Particularly in light of the strong clamor within the DPP against a coalition

cabinet, with its Central Standing Committee having refused most recently to even discuss the matter, to forcefully push for a coalition cabinet would seem to be sure to bring internal dissension and division to the DPP. Faced with so many internal and external crises, the DPP certainly lacks the dignity, position, and strength to enable it to brazenly ask to form a coalition regime with the victorious Kuomintang [KMT] and its daring and energetic President Lee Teng-hui. Meanwhile, the KMT will figure that the few inducements would not be worth the cabinet seats, nor hardly contribute to DPP cooperation with the KMT in the congress. So, having weighed the pros and cons, how could it possibly accept the idea of a coalition cabinet?

2. While some in the DPP are for it, and because both the KMT and DPP

advocate "Taiwan first" and promote "Taiwanization," they could unite as the "Taiwan Party," for a coalition regime and command over

80 percent of the congressional seats, in opposition to the CNP and its fellow travelers [Chinese nationalists] who are "opposed to Taiwan first" and calling loudly for "a greater China." But on the one hand, the formation of such a political party would stir up such strong nationalistic opposition it would not only be bound to cause strong ethnic enmity and conflict within Taiwan, which would be absolutely irreconcilable, but it also would probably provoke the PRC into the use of force, and bring the disaster of invasion and war to Taiwan. And on the other hand, such a "Taiwan Party" with an absolute joint majority of congressional seats would create a political situation in which it would long be impossible for ruling and opposition parties to rule in turn; this would be tantamount to taking Taiwan back to the time of the two presidents Chiang, or the age of "one-party domination" in which the appointment of central public representatives remained unchanged for a millenium. That would leave democratic government in Taiwan to wither on the vine once again; it would not only not be bad for Taiwan, but also would be unacceptable to the Taiwanese. The coalition of the Japanese Liberal and Democratic parties into the Liberal Democratic Party created a 38-year situation in which it was impossible for the ruling and opposition parties to rule in turn, to the point where Japanese politics today are corrupt and effete. This is a lesson that we need to consider most carefully.

In the DPP, some emphasize that as Britain in the Second World War had a coalition cabinet, with certain European countries also having them, making the inference that Taiwan will also inevitably have to have one. But that inference is biased, forced, and absolutely not

persuasive. During World War II, as Britain was being constantly bombed by German planes, it was only because it was faced with that "real and immediate crisis," that made it impossible to hold a general election, and necessary to form a coalition cabinet. And once the war was over, it immediately went back to two-party politics. And even in wartime, the United States did not form a coalition two-party government, the grounds for which are quite clear. So as Taiwan is now certainly not faced with the special situation that Britain was, why need it act in blind imitation. As to the European countries with coalition cabinets, there is both a particular historic setting, as well as a democratic political culture of compromise and mutual concession. When they formed coalition cabinets, there were clear-cut distinctions between their conservative and progressive and their capitalist and socialist political parties. But our current realities leave the idea greatly flawed and subject to much criticism.

But in Taiwan, the KMT advocates "one China," that "Taiwan is an inseparable part of China," "opposition to Taiwanese independence," and "the gradual promotion of a united-China platform," with the ultimate objective being "a unified China." And while the KMT speaks about "Taiwan first" and "Taiwanization," it in fact still teaches only "Chinese" language, history, and geography, while excluding the Taiwanese dialect, history, and geography from its regular education. But meanwhile, the DPP party platform stands for "Taiwanese independence," "refusing to accept that Taiwan is an inseparable part of China," and "opposing the united-China platform," advocating instead "one China, one Taiwan." And the DPP favors teaching in the native Taiwanese language [the mother tongue], and sharply revising the textbooks to teach Taiwanese history and geography. So with such disparate political positions, how could the two parties form a coalition cabinet?

And some DPP figures go so far as to say that it will be only by joining the cabinet and taking part in government administration that the DPP can show its ability to rule, in order to regain public support; others emphasize that the DPP cannot rule alone, so could only wither away as a party onto itself. That is all preposterous and rigidly unorthodox babble. Whether or not one has the ability to rule does not necessarily hinge on having a cabinet position and participating in government administration. In the last four or five decades, not only has the KMT repeatedly used academics or public representatives with absolutely no experience in government posts, putting them into cabinet positions as heads of ministries and commissions, who yet have consequently proved their exceptional ability to rule; but the DPP also

has many academics, public representatives, or public figures with absolutely no ruling experience who have similarly achieved splendid political success since being elected county executives and mayors. Could it be that the DPP could truly only show its ability to rule by getting one or two of its figures into Executive Yuan (EY) positions as administration officials? And have not Chen Shui-pien and other DPP figures, without serving first as heads of Taipei City departments, still shown that the DPP has the ability to govern Taipei! Or could it be that, as President Clinton has absolutely no Republican cabinet members and British Prime Minister Major has used no Labor Party figures as cabinet members, that the Republicans in the United States and the Labor Party in Britain cannot show their ability to rule? Or that they cannot win public support?

In particular, as the KMT is now unable to overcome its diplomatic stalemate externally, is hardly able to deal with cross-strait relations, and incapable of solving domestic problems such as syndicate money, corruption, and public order internally, the public is gradually coming to see the full absurdity of "the Lee Teng-hui appeal." In this state of affairs, those who still hold that the DPP cannot rule alone, but could only wither away as a single party, just ought to walk away from the DPP as quickly as possible.

Taiwan: President Li Meets Mitsubishi President

OW0507111096 (Internet) Taiwan Central News Agency WWW in English 0932 GMT 5 Jul 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — President Li Teng-hui on Friday met with Takashi Kitaoka, president of Mitsubishi Electric Corp., expressing his thanks for the company's assistance to Taiwan's technological development.

During the meeting, President Li invited the Japanese industrial giant to play a role in Taiwan's bid to build the island into an Asia-Pacific operations hub.

President Li said that as far as economic development is concerned, Asian countries should develop complementary relationship among themselves, rather than competitive one.

Kitaoka, who was also the vice chairman of the Keidanran (the Federation of Economic Organizations), said that he shared Li's view on economic cooperation.

Kitaoka noted that his company has decided to invest NT [new Taiwan] \$300 million (US\$10.91 million) in the local electronics and electrical industries in line with Taiwan's Asia-Pacific operations center plan.

Taiwan: Four New Envoys Sworn In

OW0507110396 (Internet) Taiwan Central News Agency WWW in English 0800 GMT 5 Jul 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, July 5 (CNA) — Four newly-appointed envoys of the ROC [Republic of China] were sworn in at a ceremony held at the Ministry of Foreign Affairs (MOFA) Friday with Foreign Minister Chang Hsiao-yen officiating.

They are Rock Leng, ROC representative in Hungary; Larry Wang, ROC representative in Argentina; Liang Ying-pin, ROC representative in Melbourne; and SHIH Jui-chi, ROC representative in Auckland.

Leng 57, is a graduate of National Chengchi University and a master of political science at Harvard University. He was MOFA spokesman before his new appointment.

Wang, 49, is a graduate of Chinese Culture University. He was director of the MOFA's protocol department prior to the new post.

Liang, 45, is a master of National Chengchi University. He served as the MOFA's international organizations deputy director until his new appointment.

Shih, 40, graduated from the Central Police College, was an MOFA specialist before the new assignment.

Taiwan: Police Report Details Criminal Gangs Across Island

OW0407094996 Taipei LIEN-HO PAO in Chinese 25 Jun 96 p 1

[FBIS Translated Text] According to a chart showing the numbers of gangsters on the watch list and major gangster forces in various counties and cities released for the first time by the National Police Administration, of the 1,000 or so major and minor criminal gangs and groups across Taiwan, 126 are well-organized gangs and groups with a total membership of over 5,800, who are on the watch list of the police. The findings also show that the 126 major criminal gangs and groups and their key members are generally dispersed in various counties and cities. Mafia forces have taken root in every corner of Taiwan, thus seriously threatening public order.

It was ascertained that currently, the criminal gangs with the most members in Taiwan are Chulienpang, which has over 600 members; Szuhaipang, which has over 500 members; and Tientaomeng, which has over 400 members (excluding those who have been recruited by Tientaomeng but have yet to be brought to light).

In recent years, there have been a string of gunfights in the Taiwan area. Underworld figures have resorted

to violence to interfere with elections, used "elections to whitewash themselves," or even rigged the bidding for public works projects through violent means. These have seriously jeopardized public order and attracted the attention of people in all circles. In light of the prevalence of organized crime, and to reestablish laws and institutions to fight organized crime, in March the National Police Administration instructed police in all areas to conduct a wide-ranging investigation into the 1,000 or so major and minor criminal gangs and groups in the Taiwan area and the 15,000 individuals who were already on the watch list.

The Criminal Investigation Bureau's Hooligan Control Division recently completed its general investigation of criminal gangs. It found out that of the 1,000 or so major and minor criminal gangs and groups in the Taiwan area, 126 are well-organized gangs and groups with a total membership of over 5,800. Of these, 59 criminal gangs and groups with a total membership of 2,067 pose a considerable threat to public order. These individuals are dispersed in various counties and cities.

The 2,067 or so leading gangsters on the police watch list include lawmakers of mafia backgrounds and key underworld players who control criminal activity behind the scenes.

According to the chart released by the police regarding the numbers of gangsters on the watch list and gangster forces in various counties and cities, there are 1,250 leading gangsters in Taipei City (including Taipei County). They belong to Chulienpang, Szuhaipang, Sunglien, Fangmingkuan, Feiying, Chutukou, and Tientaomeng. Ilan County has 113 leading gangsters who are members of Hungweiping and Yuenshan; Taoyuan County has 434 leading gangsters who are members of Chulienpang, Shihsan Shenyang, and Hsiaonanmen; Hsinchu County has 134 leading gangsters who are members of Fengfeishapang, Sankuangpang, and Shih-san Shenyang; Taichung County has 350 leading gangsters who are mostly members of Szuhaipang and Szuta Tienwang; and Taichung City has 350 leading gangsters who are mostly members of Szuhaipang.

Changhua has 393 gangsters who are mostly members of the Hsichou group; Chiayi County has 177 gangsters who are mostly members of the Chutsaichiao group; Yunlin County has 172 gangsters who are largely members of the Wuchiapan group; Tainan City has 167 gangsters who are members of Hsialinpai, Tungmen, and Hsiaokungyuen; Kaohsiung City has 1,153 gangsters who are members of Chihhsien, Shatsaiti, Shengkung-mamiao, and Yehshichang; Pingtung County has 275

gangsters who are mostly members of Shihsan Hsiungti-pang; and Penghu County has 31 gangsters who are members of Chetoupang.

As for other counties and cities, Miaoli County has 157 gangsters; Nantou County, 156; Tainan County, 218; and Taitung County, 74. The criminal gangs and groups in these areas are mostly groupings composed of specific individuals and leading gangsters. Many groups that existed previously have been assimilated by Tientaomeng and have become its subgroups.

***Taiwan: CNP Alludes to Over 90 'Shady Organs' in Ministries**

96CM0384C Taipei TZULI WANPAO in Chinese
24 Apr 96 p 2

[Article by Chen Chi-yuan (7115 3444 0337): "The CNP Publishes a List of 'Shady Organs'"]

[FBIS Translated Excerpt]The China New Party [CNP] Legislative Yuan [LY] party delegation held a press conference this morning [24 April 1996], where it announced a list of 94 "shady organs" in the Executive Yuan [EY], with the Education Ministry ranking first with 18. Party delegation convener Yu Mu-ming [6735 1970 2494] said that when the CNP party delegation was examining the budgets of the concerned units, it had eliminated all of those units' budgets, as well as setting a one month deadline for the EY to present "a timetable for the legalization of 'shady organs'."

Yu Mu-ming noted this morning that with the Lien Chan cabinet having been in office for the last three years, it has essentially not responded to the demand for "organizational legalization," leaving shady organs throughout the system, which is a severe violation of the official edict on the legalization of state organs, as well as a stalling tactic of just going through the motions in implementing the LY resolution on organizational legalization. He said that the CNP party delegation investigation had found that the illegal shady organs included 18 in the Education Ministry, 15 in the Ministry of Economic Affairs, 14 in the Ministry of Transportation and Communications, nine in the Interior Ministry, six in the Justice Ministry, and five in the Finance Ministry. And he said that despite the fact that the Bureau of Investigations' Economic Crime Prevention Center and Anticorruption Office have been in existence for six years now, the shady organs are still here, showing that the authorities have certainly not been determined to deal with syndicate money or crack down on corruption! [passage omitted]

Hong Kong

Hong Kong: Britain's Delay on Reserves, Civil Service Details Noted

*OW0507073296 Hong Kong HONGKONG
STANDARD in English 5 Jul 96 p 1*

[Article by staff reporters]

[FBIS Transcribed Text] BRITAIN'S refusal to give Beijing a detailed account of the government's assets is the cause of the year-long deadlock in Sino-British talks on handover issues, a Chinese diplomat revealed yesterday.

The diplomat, who declined to be named, said Britain has also refused to hand over archives on senior civil servants or give a full list of laws amended in the past few years. Talks on the handover ceremony are also stalled.

He said Sino-British Joint Liaison Group talks in the past year saw little progress, largely because of the deadlock over information on the government's assets.

Beijing has insisted that as the sovereign power of the future Special Administrative Region, it should have the right to oversee public assets in the territory before Britain hands them over to the future government.

Beijing had asked Britain to provide a "full and detailed account of all assets owned or overseen by the current administration.

The diplomat said the handover of public assets was the key to the handover of sovereignty.

Beijing believes that as the future SAR government has not been formed, and therefore not yet in a position to receive the public assets, it is up to the sovereign government to oversee a smooth transfer of these sets.

"The sovereignty changeover, of course, also means the handover of properties overseen by the current government to its successor. But in the absence of a successor government, China as the sovereign state has to act on behalf of the six million Hong Kong people to oversee such huge assets," he said.

Britain, however, insists all assets are intact and well managed by the current administration, and will be handed over to the future SAR.

Chinese sources said Beijing's requests also included a full report on the government's reserves.

"We not only need to know how much the reserves are, but we also want to know where those reserves are deposited and how they are managed," the diplomat said.

As a formality, Beijing will hand over any report from the British to the future SAR government when it is set up.

Confirming this, China's chief representative in the joint Liaison Group, Zhao Jihua, said China was upset over Britain's reluctance to cooperate in resolving the issues.

Mr Zhao said Britain had so far submitted only general information on the public assets, without any details.

The British side has not given a positive response to a request to set up an expert group to "thoroughly and specifically" study the question, he added.

China also regards the submission of government achieves as another major issues.

Mr Zhao said delaying this would adversely affect the formation of the chief executive's team designate.

"The appointment of the principal official is not a nominal one," he said. "China needs to have the civil service archives as reference before endorsing the recommendations of the first chief executive.

"We have several times requested the setting up of an expert group in the JLG to discuss the handover of government archives but so far no consensus has been reached."

Other Chinese sources said Beijing had been prepared for a lack of cooperation from Britain up to the last minute.

They said Chinese President Jiang Zemin had already made clear the position of China to the Preparatory Committee (PC) members in Zhuhai in May.

"Since 1984, Britain has not shown itself to be willing to hand over Hong Kong to China," Mr Jiang reportedly told a PC meeting.

Sources said this was why President Jiang asked Britain to "see through the vanity" and to look into the Sino-British relations from a broader perspective.

Hong Kong: PRC Policy for Hong Kong Stable Transition

*HK0107013996 Hong Kong HSIN PAO (HONG KONG ECONOMIC JOURNAL) in Chinese
21 Jun 96 p 15*

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429): "China's Policy Considerations for Hong Kong's Stable Transition"]

[PTS Translated Text for FBIS] Beijing, 19 June—Hong Kong will revert to China in another 300-plus days. The question of how to ensure Hong Kong's

stable transition and smooth reversion has long been on Zhongnanhai's agenda. CPC General Secretary Jiang Zemin has clearly spelled out the principles for a stable transition to the Preliminary Working Committee of the Preparatory Committee and to the Preparatory Committee of the Hong Kong Special Administrative Region (SAR). True, the Chinese side has assessed the possible emergence of a chaotic situation during Hong Kong's transition in 1997 and it has studied as well as worked out measures for preventing it. But it still earnestly hopes that the British side will face the reality, cooperate fully with the Chinese side, and use the smooth handover of Hong Kong's political power and the peaceful transition to demonstrate to the world that the difficult issue of Hong Kong's transition in 1997 can be resolved properly through consultation and cooperation and that hostility can be turned into friendship as long as both sides have sincerity and are forward-looking. In that case, all three parties, i.e. China, Britain, and Hong Kong, will benefit from it and Sino-British friendship and cooperation will enter a new stage. However, it is hard to predict the affairs of the world. The results are yet to be proved with facts in 1997.

Study and Work Out Chaos-Prevention Measures So As To Be Prepared for All Contingencies

According to a source in Beijing, since taking charge, the third generation of leaders with Jiang Zemin as the core has repeatedly reaffirmed that China's fundamental principle for exercising sovereignty over Hong Kong will not change. China will strictly act according to the Sino-British Joint Declaration and the Basic Law and hopes that Hong Kong will play an exemplary vanguard role in the long-term process of China's reunification to show people that China means what it says. Naturally, there is also the implication that the British side will also make good its promises.

However, the third generation of Chinese leaders also bears in mind what Deng Xiaoping pointed out at a meeting with British Prime Minister Thatcher on 24 September 1982: "What I am worried about is how to make a good transition in the coming 15-year transition period and about the emergence of major chaos during this period. These chaotic conditions are purely man-made. They are caused not only by foreigners but also by Chinese, but principally the British. It is quite easy to create chaos. And we hold consultations precisely with the aim of resolving this issue." Thirteen years or so have passed, during which there has not been major chaos, but there is still no guarantee that there will be no chaos in 1997. For this reason, the Chinese authorities cannot but study and work out

chaos-prevention measures in order to be prepared for all contingencies.

As analyzed by a Beijing expert in Hong Kong matters, in a bid to extend its political and economic interests in Hong Kong beyond 1997, Britain may create some chaos (including laying down some destabilizing factors) in order to haggle with China. Out of its need to contain [wei du 0953 1035] China, the United States will also take this opportunity to create and support chaos. Also, out of the need to pursue his "independent Taiwan [du tai 3747 0669] line and attack China, Taiwan's Li Teng-hui will take a hand in creating and supporting chaos. But whether the chaos gets somewhere, the key lies in the attitude of the British. Consequently, China will grasp the main contradiction by doing some work among the British in a strong effort to improve Sino-British relations and prevent chaos in 1997.

Improve Sino-British Relations and Reduce Obstructions

The source said: Although Britain has changed its policy toward China and Hong Kong in the wake of the split in the Soviet Union, and even sent Chris Patten as the last governor to confront China in Hong Kong, Sino-British relations have nevertheless shown aspects of benign development in recent years following the visits to China by British Prime Minister Major, Deputy Prime Minister Heseltine, and Foreign Secretary Riffkind. Chinese State President Jiang Zemin, Premier Li Peng, and Qian Qichen, vice premier and concurrently foreign minister, told the visiting British leaders that China would not change its fundamental principle toward Hong Kong, i.e. "one country, two systems, Hong Kong people running Hong Kong, and a high degree of autonomy." At a meeting with Heseltine in Zhuhai, Guangdong Province, on 24 May, Jiang expressed his hope more frankly, saying that the British side should "see through the vanity of the world" [kan po hong chen 4170 4275 4767 1057], recognize reality, and understand the importance of Hong Kong's stable transition. He also said that the Sino-British long-term, stable relationship of friendly cooperation can only be built on the basis of the 16-character principle stating "setting eyes on the long-term objective, facing the future, respecting each other, and increasing cooperation" [zhao yan chang yuan, mian xiang wei lai, xiang hu zun zhong, zeng jia he zuo 4192 4190 7022 6678, 7240 0686 2607 0171, 4161 0062 1415 6850, 1073 0502 0678 0155]. "Therefore, the leaders of both countries should approach and handle Sino-British relations, including the Hong Kong issue, from the strategic plane and from the angle of the general world situation and the 21st century."

The Chinese stand has received a positive response from the British side. Riffkind, who visited China in January, said that Britain understands the misery China has been subject to in the past 100 years and more and, therefore, understands China's resolve to preserve its national unity. The British Government is ready to maintain dialogue and cooperation with the Chinese side on the Hong Kong issue in the next 18 months. Both Britain and China want to see the success of this historical process. During his visit to China in May, Heseltine also said that the British side hopes to continue serious discussions with the Chinese side with a constructive attitude to solve the outstanding issues and ensure Hong Kong's stable transition.

Naturally, the Chinese side also knows that it is Britain's idea for Patten to engage in confrontation. But it does not expose this to show due respect for Britain's feelings. Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, has even said that he will shake hands with and say goodbye to Hong Kong Governor Patten if he meets the latter, thus clarifying the rumor that the Chinese side refuses to let Patten join in the Hong Kong political power handover ceremony.

In the view of the Beijing expert in Hong Kong matters, in a bid to secure Hong Kong's stable transition in 1997, the Chinese side will make concessions to the British side as far as possible. For example, it knows full well that the British side would take the opportunity to reap profits economically, but it will still make concessions provided that the British do not make exorbitant profits by force or deception. But on issues involving sovereignty and principle, such as the Patten constitutional reform package peddled by the British side, China will not make any concessions at all. Patten said in the United States that "Britain will still take an interest in Hong Kong affairs for 50 years after 1997." However, the Chinese side pointed out in an internal document that this was not an oversight on Patten's part but reflects Britain's attempt to follow the United States in interfering in China's internal affairs after 1997, but this will be futile. That is why Jiang Zemin wants Britain to "see through the vanity of the world."

Strictly Manage China-Funded Institutions and Raise Their Reputation

The source added: The Chinese authorities not only hope there will not be great fluctuations in Hong Kong during the transition period but, more importantly, hope that the Hong Kong people can run Hong Kong better after the handover in 1997. To this end, the leaders concerned have made policy pronouncements on the issue of China-funded institutions in Hong Kong which concern all circles in Hong Kong and foreign funds.

When visiting Japan in early April, Lu Ping openly indicated that China-funded institutions will not enjoy special privileges in post-1997 Hong Kong, nor will they monopolize the Hong Kong market, still less will they exclude other foreign funds. Post-1997 Hong Kong will still have an environment of fair competition and will continue to be a very attractive investment area, where the capitalist free economic form, as well as the existing exchange system for the Hong Kong dollar, will remain unchanged.

In March Vice Premier Zhu Rongji told standing committee members of the National Committee of the Chinese People's Political Consultative Conference that the central authorities had stopped processing applications for the establishment of institutions in Hong Kong and that overseas-based leaders should be transferred regularly. During an inspection tour of Guangdong between 31 May and 3 June, he again called a meeting which was attended by the persons-in-charge of the Hong Kong- and Macao-based group companies or corporations at the ministerial or provincial level, during which he discussed various issues related to China-funded institutions, such as leadership style, developing the Southeast Asian and Taiwan markets while basing themselves in Hong Kong, coordinating mainland units in the development of, as well as introducing foreign funds to, the central and western regions, and participating in the stable transition of Hong Kong and Macao and the administration of Hong Kong by Hong Kong people and the administration of Macao by Macao people. Zhu warned that cadres working in China-funded institutions as well as their family members should observe regulations in carrying out economic activities and be discreet in their conduct. They should maintain state dignity, possess the moral quality of cadres (gan ge 1626 2706), have self-respect, study, apply, and take capitalist operations and management methods and economic and financial regulations for reference; they should not engage in corrupt practices, enter pornographic places or gambling houses, or take the opportunity of doing official business to go to red light districts in foreign countries. They should not try to be smart by thinking that the organization will not be able to investigate the problems and affix responsibility. Zhu added: "It can be affirmed that among cadres working in China-funded institutions there are scum who deposit in foreign banks the money they have obtained through illegitimate means and open accounts in the names of their family members. Some sell state secrets and some have got foreign passports.... The State Council has made arrangements to tackle these issues. They will be brought to account and punished according to the law some day. You would be well advised to observe the law."

In the view of the Beijing expert in Hong Kong matters, as the conduct of China-funded institutions in Hong Kong concerns China's reputation, Zhongnanhai has obviously placed the issue on the order of the day. One may believe that it will continuously take appropriate measures to solve these issues.

Hong Kong: Committee Announces Guidelines for Selection Body

HK0107084396 Hong Kong SOUTH CHINA
MORNING POST in English 29 Jun 96 p 1

[By Catherine Ng in Beijing and Sauw Yim]

[PTS Transcribed Text for FBIS] The Preparatory Committee yesterday announced guidelines for the formation of the powerful 400-member body which will appoint Hong Kong's first post-handover leader and the provisional legislature.

Speaking after a two-day meeting, sub-group co-convenors said the major criteria for those wishing to serve on the Selection Committee were:

That they make a simple declaration pledging the authenticity of their application, particularly regarding their status as a permanent Hong Kong resident, although there was no need to reveal sensitive information such as criminal records;

y That they be at least 18; and

y All civil servants were eligible to stand, as were non-ethnic Chinese who were permanent residents.

The total number of candidates will be fixed at between 460 and 540.

The co-convenors said they had no alternative but to ignore the more sensitive information — such as criminal records, assets or directorships of companies — since the Government would not help them vet applicants.

However, local co-convenor Sir Sze-yuen Chung said candidates found to have lied in their declarations would either be barred from standing or have their seats on the committee revoked if already selected.

Another co-convenor, Tam Yiuchung, said the major difficulty they faced was authenticating applicants' permanent residency.

The nomination form will specify three criteria for candidates: they must be a permanent Hong Kong resident; uphold the principle of "one country, two systems" and the Basic Law; and adhere to the task of the committee to appoint the chief executive and the provisional legislature.

Preparatory Committee vice-chairman Leung Chun-ying said non-ethnic Chinese nationals could stand if they were permanent residents in accordance with the Basic Law, implying foreign nationals who have lived in the territory for seven years would be seen as permanent residents.

Mainland co-convenor Xiao Weiyun said the proposals were based on consultations in the territory in April.

"Now through you [the media], we hope to hear more opinions and the finalised proposal will be created at our meeting next month," he said.

The nomination period for candidates will last one month and any groups registered before January 26 the date the Preparatory Committee was formed — are eligible for nomination, he said.

Nominations will be sent to the Preparatory Committee for consultation before its chairman and vice chairmen draw up a shortlist of 460 to 540 candidates for voting.

Mr Xiao said they had also decided the Selection Committee should be retained until June 30, 1998 — the same term as the provisional legislature — to allow it to replace anyone who might resign from the legislature.

Hong Kong: Legislators Dismayed Over Rejection By Beijing

HK0207061896 Hong Kong SOUTH CHINA
MORNING POST in English 2 Jul 96 p 4

[By Angela Li]

[PTS Transcribed Text for FBIS] China owes Hong Kong an explanation for refusing the eight members from the United Front Against the Provisional Legislature entry into China when they all possessed permits, legislators said yesterday.

The demand was made as authorities dashed the group's hopes of delivering a petition by refusing to let them set foot in Beijing.

The chairman of the Association for Democracy and People's Livelihood, Frederick Fung Kin-kee, said the Chinese Government was wrong to block them as they all possessed valid travel documents.

Mr Fung, also a Preparatory Committee member, urged the Chinese authorities to spell out clearly the reasons for rejecting their entry.

In May, Mr Fung had also brought anti-provisional legislature signatures to China while attending the committee plenary session.

His views were shared by a legislator from the pro-China Democratic Alliance for the Betterment of Hong

Kong, Chan Yuen-han, and many other legislators contacted yesterday.

Independent legislator Emily Lau Wai-hing said: "The question is whether this is reasonable or not. I don't understand why the Chinese authorities are so nervous.

"They are just using a peaceful and civilised way to express their views."

Democratic Party chairman Martin Lee Chu-ming was more critical and questioned why the Chinese Government was willing to accept petitions from Greenpeace and decided to snub Hong Kong compatriots. "It's very disappointing. Why couldn't they treat the Hong Kong compatriots in a courteous manner? Why? I want to ask the Chinese leaders what are they afraid of?"

Another independent legislator, Margaret Ng Ngoi-ye, said: "I'm sorry to learn about [their detention] because their purpose is clear to reflect the feeling of Hong Kong people on the provisional legislature. It should be tolerated."

She said it was "very proper and reasonable" for them to go to Beijing to express their opposition towards the provisional legislature.

"The reason for refusing entry seems to be very wrong. It certainly shows a very low threshold of tolerance."

But Liberal Party chief Allen Lee Peng-fei, an adviser to Beijing, dismissed the trip as a "publicity stunt".

"I think before they went they already know the result," he said.

He did not think it would damage Hong Kong people's confidence in the territory.

His party colleague Selina Chow Liang Shuk-ye said: "Communication can be made through a better channel. This political gesture would not help Hong Kong people to attain the goal of communication."

Tsang Yok-sing, Preparatory Committee member and chairman of the Democratic Alliance for the Betterment of Hong Kong, said: "The result is not beyond expectation. If they want to send a message to China, Hong Kong citizens, or even the international arena, I believed they have not failed to attain this goal."

Hong Kong: Editorial on Need for Beijing To Explain Detentions

HK0207063096 Hong Kong HONGKONG
STANDARD in English 2 Jul 96 p 12

[Editorial: "Questions Need Plain Answers"]

[PTS Transcribed Text for FBIS] Now that we have entered the final year of the transitional period, the run-

up to the handover should be a time to boost confidence in the territory and allay the fears of the pessimists and conspiracy theorists. But China seems to be doing the exact opposite.

Even some optimists have expressed concern about China's decision to bar a delegation from the Coalition to Oppose the Provisional Legislature from entering Beijing yesterday.

The eight-member group was prevented from getting off a plane at Beijing airport. Armed police boarded the aircraft and confiscated their travel documents after checking their identities against an alleged blacklist.

The group had travelled to the Chinese capital to present a 60,000-signature petition against the future interim body. On their return to the territory, they alleged that their aircraft was immediately surrounded by Public Security personnel carrying assault rifles. Eleven officers boarded the Dragonair plane, one carrying three large sheets of paper containing the names of more than 200 Democrats and other pro-democracy activists.

The coalition members had their re-entry permits confiscated when they were identified and Chinese authorities refused to allow them to set foot in China.

It is true that they had been warned by the Xinhua news agency that they would have to bear the consequences if they went to Beijing. It is also true that mainland laws allow China to prohibit anyone they wish from entering the country.

But some troubling question hang in the air. Why do these laws exist? The official reason is to protect the security of the country. But does an eight-member delegation pose a risk to China's security? If so, the country's security must be rather fragile.

As Hong Kong Chinese, the delegation members are considered compatriots. What grounds can there be for barring compatriots from the country?

Equally worrying is the existence of the alleged blacklist, especially in view of China's promises about the one country, two systems principle.

Democratic Party leader Martin Lee Chu-ming has made the telling point that China's treatment of the coalition members was completely different from the way it treated the Greenpeace ship which tried to gain entry to Chinese waters last month to protest against China's nuclear tests.

It is cause for concern, too, that journalists accompanying the group were briefly detained.

These are worrying questions that must be answered if confidence is to be maintained as we move into the final year of the transition period.

Hong Kong: Selection Body 'Ban For Top-Ranking Civil Servants'

HK0207072696 Hong Kong SUNDAY HONGKONG STANDARD in English 30 Jun 96 p 1

[By Michael Smith and Clement Poon]

[PTS Transcribed Text for FBIS] Top-ranking civil servants are likely to be banned from sitting on the selection committee under Government guidelines being drawn up to determine whether its employees can join the body.

A Government source said yesterday it was extremely unlikely policy secretaries would be allowed to join the body that will pick the post-1997 chief executive and the Provisional Legislature.

The Preparatory Committee announced guidelines on Friday that would allow civil servants to sit on the selection committee.

Chief Secretary Anson Chan Fang Onsang said yesterday the Civil Service Branch would issue guidelines soon on whether civil servants should remain politically neutral on the formation of the selection committee.

Civil service unions have already held talks with PC members on their future role in the selection committee.

But a Government source said yesterday: "It is definitely not on the cards that you will find policy secretaries serving on the selection committee. I would be very surprised if they would be allowed."

Existing guidelines effectively ban officials from joining political bodies to avoid creating a possible conflict of interest with their official duties.

Before leaving for London on a three-day visit yesterday, Mrs Chan said the Government was considering the PC's guidelines based on its public consultation in May.

Mrs Chan also admitted it would be "difficult for the Government to ensure a through-train for the present Legislative Council in view of the inevitability of the Provisional Legislature".

But she said the first Special Administrative Region (SAR) chief executive should be selected as soon as possible as there were several transitional issues to be dealt with in the next 12 months.

"We will follow up on what ways the Hong Kong Government can co-operate with the Preparatory Commit-

tee, especially in establishing a close-working relationship with the SAR chief," she said.

Mrs Chan said the state of morale and confidence of the civil service would be a major issue on her London visit.

"I'd like to ensure that all civil servants can be assured about their future, that they see a good future for themselves and that they will all feel able and willing to remain to serve the people of Hong Kong after 1997," she said.

Mrs Chan also expressed concerns about outstanding issues regarding the transition.

"These include right of abode and travel documents. We need to make better progress on the whole question of adapting laws," she said.

During her short stay in London, Mrs Chan will meet British Prime Minister John Major and Foreign Secretary Malcolm Rifkind. She will also meet Labour's shadow foreign secretary Robin Cook and members of the Foreign Affairs Select Committee, the British-Hong Kong Parliamentary Group and business leaders.

Mrs Chan said it was unlikely she would visit Beijing after her London trip and private leave. Last year she made an unpublicised visit to meet top Chinese officials on her way back to Hong Kong.

"Until now I have not received an invitation to Beijing although I do hope to meet the Chinese officials again," she said.

Hong Kong: Patten Ponders Britain's Moral Dilemma

MS2806132296 London THE GUARDIAN in English 28 Jun 96 p 1

[Report by Andrey Higgins, incorporating an interview with Hong Kong Governor Chris Patten: "Patten wrings hands over Hong Kong handover"]

[FBIS Transcribed Text] A Year before he loses his job as Hong Kong's last colonial governor, Chris Patten has described the colony's return to China as "morally difficult", in a clear break with Britain's claims that the agreement was a "Rolls Royce deal".

In an interview with the Guardian, the former Conservative Party Chairman questioned a central tenet of British diplomacy, that the accord signed in 1984 by Margaret Thatcher and the then Chinese leader Zhao Ziyang was both necessary and right.

Mr Patten's public doubts will further enrage China already furious about modest democratic reforms it

vows to dismantle after the handover at midnight on June 30, 1997.

"It is morally difficult for us because, whatever the understandable constraints of history, what we have to do scratches away at our liberal sensitivities," said Mr Patten.

He said Britain's dilemma had been put with "withering directness" by Emily Lau, a Hong Kong journalist who asked Mrs Thatcher in 1984 whether it was moral to deliver over 5 million people into the hands of a communist dictatorship.

At that time, Mrs Thatcher scoffed at the question as being of no concern to a Hong Kong public which she said was happy with the deal.

Mr Patten is clearly less impressed. "I feel passionately that this puts a greater onus on us to try to do what we can to live up to our ideals, to try to do our best, and try to leave here... with some honour rather than obloquy."

Rejecting calls from tycoons that he stop challenging China, Mr Patten said: "I think it is very important that I can go on encouraging people to have the self-confidence to believe in their own values and institutions and stand up for them."

The architect of the 1984 deal, Sir Percy Cradock, was this week appointed non-executive director of the South China MORNING POST, the colony's main English-language paper which critics say is increasingly meek. His deep suspicions of the media are unlikely to calm growing concern about press freedom.

Asked about the appointment, Mr Patten said "There are some stories that speak for themselves." The two men have crossed swords often.

"Don't let anyone get away with the argument that all this row has been about some notion of democracy introduced at the last moment. What I've tried to do is to live up to what we promised... in 1984."

British diplomats now say privately that Mrs Thatcher and Sir Percy oversold China's promise of "elections" and "autonomy".

With China due to appoint a chief executive ready to replace him, Mr Patten's time and authority are fast running out. He sees his job now as that of a "lightning conductor" for Beijing's tirades.

Hong Kong: Patten Caught in Cross-Fire Between Democrats, Businessmen

MS2806133996 London FINANCIAL TIMES
in English 28 Jun 96 p 5

[Report by John Ridding, including remarks by Hong Kong Governor Chris Patten: "Patten under cross-fire in his last HK year"]

[FBIS Transcribed Text] Mr Chris Patten enters his last year as Hong Kong's last governor in what he describes as a mood of wary optimism.

Wary because of unresolved issues and protracted disputes which loom over the colony's return to Chinese sovereignty and, more seriously, because of doubts that Beijing understands what makes the territory tick.

Against this he cites Hong Kong's resilience, its economic performance and potential, and progress achieved so far in tackling the handover. "We haven't lost too much paint work going round the bends he says?" comparing his mission to a bobsleigh run.

But as in a toboggan, neither he nor Hong Kong is in a comfortable position. Confidence remains brittle, while the governor is frequently caught in a cross-fire between democrats who charge him with not doing enough to secure Hong Kong's interests and many others, notably from the business establishment, who are exasperated by his antagonistic relationship with Beijing.

Mrs Margaret Ng, an independent legislator, argued this week that Hong Kong's democratic institutions were "too flimsy" to withstand pressure from China. Amid a row with the business community last month, the territory's main chamber of commerce attacked Mr Patten for failing to accept China's plan to replace the territory's Legislative Council, elected last year under his democratic reforms.

Mr Patten says he has done the most he can within the constraints of the treaties governing the handover. He believes Hong Kong's institutions are strong enough and its public resilient enough to uphold the territory's system, although he stresses their survival would be more difficult if the government's accountability to the legislature was undermined.

The broader problem, he, argues is that statements by Chinese officials on issues from press freedom to the role of the civil service have undermined confidence in their understanding of these treaties, which guarantee autonomy for Hong Kong.

Despite pressure from this business community, he gives no sign of budging on the Legco issue, the main threat to a smooth transition. "If I were to make it easier

to dismantle the Legislative Council I think it would make Hong Kong pretty ungovernable between now and 1997."

Selection of his successor, the most important decision to be made before the handover, has been delayed from autumn to the year's end. And Mr Patten is eager for progress. "The sooner the better, because then you are dealing with the real future government rather than a surrogate."

As for the risk of being pushed to the sidelines: "It is entirely proper to face up to this as we get closer to Jun 30. People are going to look more to my successor for vision of the future and for reassurance," he says.

Even then, Mr Patten pledged: "I will go on asserting the principles which Hong Kong has based its success. I am not going to be party to trying to chloroform Hong Kong."

This points to a knowledge of difficult bends to come. "I hope I am wrong, but my instinct is that after 1997 I am unlikely to be criticised for having tried to do too much to protect Hong Kong's way of life. Most of the criticism will come from the other side."

Hong Kong: Interview With Hong Kong Governor Chris Patten

MS2806090196 London THE TIMES in English
28 Jun 96 p 17

[Report on interview with Governor of Hong Kong Chris Patten by Jonathan Mirsky in Hong Kong; date not given]

[FBIS Transcribed Text] The twenty-eighth British Governor of Hong Kong is also Chris Patten the Tory bruiser, and both characters have been in evidence this week, a year before the colony's handover to China on June 30, 1997. "It is absolutely essential," he said yesterday, "that we don't connive at the destruction of those things which make Hong Kong so special."

Whitehall insists that London and Beijing are now getting along rather well, despite Beijing's plan to abolish the elected legislature and truncate the Bill of Rights.

The most experienced local pollster estimates that between 750,000 and two million of Hong Kong's 6.2 million people are prepared to leave if something goes wrong. A thousand a week emigrate.

In conversation with The Times, the Governor blames the loss of nerve on Chinese officials. "They suggest the Civil Service shouldn't be neutral, that judges should mind their p's and q's.... and that people might not be

free to commemorate events which have a marked effect on their consciences."

"Commemoration" was a reference to the Tiananmen Square massacre, on June 4, 1989, marked annually by thousands in Hong Kong's Victoria Park. When it was announced, just before this year's event, that the park was to be closed next year "for renovation", some suspected Beijing's hand. "Of course they can meet there," Mr Patten said. He was similarly adamant on demonstrations, ruled out by China, during the handover ceremony. "Of course there will be demonstrations — at it, before it, after it. Chinese officials should be thinking about how to reassure people rather than causing them to finger their passports nervously." The greatest controversy about Mr Patten whose enemies blame him for Beijing's harsh attitude towards Hong Kong, is his decision four years ago to widen the franchise for the colony's 60-member Legislative Council (LegCo) or parliament, traditionally completely or partly appointed by the Governor, so that it would be wholly elected. Democrats last year received most of the nearly one million votes cast. Beijing denounced this body as a violation of past agreements.

Mr Patten rejects the suggestion that he should have gone along with the Chinese plan for a partly elected, partly designated body.

Zhou Nan, China's chief representative in the colony said this week that perhaps 50 per cent of the present council could be appointed to the provisional body. "The bad news," Mr Patten said, "is that 50 per cent wont."

It is on this issue, he claims, that the 17 rounds of negotiations with Beijing broke down in 1994. "Were we supposed to agree that Chinese officials could cherry-pick which LegCo members could go through 1997 and which didn't have enough patriotic spirit? We would have spent two years explaining that intolerable action to Hong Kong, Westminster, and the world. And you can bet the people with the placards would have been outside the gates of Government House."

On transition day-which Hong Kong's official gazette loyal to the last, calls "The First Monday after Her Majesty the Queen's Birthday" — the Pattens "will pack as expeditiously as possible so the house is in good order when we leave the key under the mat".

When reminded that some friends of China have proposed transforming Government House into a museum of colonialism, Mr Patten chuckled, recalling the colony has given asylum to millions who fled communism.

Hong Kong: Patten, Rifkind Urge PRC To Show Tolerance After Handover

HK0107075796 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 30 Jun 96 p 1

[By Quinton Chan]

[PTS Transcribed Text for FBIS] Foreign Secretary Malcolm Rifkind and Governor Chris Patten yesterday called on China to show tolerance for dissent after the handover.

And they said there should be a dialogue between the chief executive and the Democratic Party.

In an exclusive interview one year before the end of British rule, Mr Rifkind said China was committed to respecting the way of life in the territory.

Mr Patten said the chief executive's priority should be to make sure Beijing fulfilled its promise to keep Hong Kong capitalist and highly autonomous for 50 years.

Mr Rifkind said he thought it in China's interest "to take into account, into respect, those political leaders who clearly have the support of the people".

Any breach of the Joint Declaration which restricted freedom of life after 1997 "would not only be a matter of concern for Hong Kong and the United Kingdom", he said. "I believe it would be of great concern to the international community."

If China did not display tolerance towards what it might construe as dissent, "it would have consequences far beyond the individuals directly affected and I am sure the Chinese will not wish to risk such an outcome".

In his interview with international news agencies in Hong Kong yesterday, Mr Patten urged his successor to stand up for the people and talk to the Democratic Party even though China was giving it the cold shoulder.

The main task confronting Hong Kong was the choice of a home-grown chief executive, he said. "Whoever is chosen should be able to command the instinctive support and loyalty of the whole community, not least public servants.

"Second, my successor is more likely to be able to do that if he or she is seen in the community principally as Hong Kong's leader and representative in Peking, rather than Peking's representative in Hong Kong. "Whoever succeeds me will, for example, have to establish a dialogue with the politicians who have established at the ballot box that they're the most popular."

The Governor declined to name his personal choice as his successor, but promised he would seek "to establish

a good and co-operative relationship with the chief executive-designate".

Mr Patten said that in his final 12 months, he would "continue courteously but firmly to stand up for the things that Hong Kong has been promised and the things that are vital to Hong Kong to continue as a prosperous and successful city".

He repeated his criticism of China for its plans to scrap the elected legislature, saying the move was based not on justice but on a wish to keep the Democrats from power.

"I think some of them may be convinced that they have to keep Democrats, or people they don't like, out of the legislature. I don't associate that with justice," he said.

In separate remarks, Mr Patten said the Hong Kong authorities planned no extraordinary measures to maintain security and would not repress demonstrations during the handover ceremonies. "I hope people will be clapping [on the day of handover], but if people want to hold up banners or wear a T-shirt rather than clap, that happens. "Of course, there are concerns such a great event should have proper security. But our police are very competent."

Hong Kong: Patten Discusses Home Reentry Permit Issue

OW0507080696 Hong Kong HONGKONG STANDARD in English 5 Jul 96 p 4

[By Lily Mak]

[FBIS Transcribed Text] GOVERNOR Chris Patten said there was little the Hong Kong or British governments could do if China confiscated valid home re-entry permits from members of the Coalition to Oppose the Provisional Legislature after the handover.

In response to a question by coalition member and democratic legislator Andrew Cheng Kar-foo in the Legislative Council yesterday Mr Patten said action from the government in such a case would be limited.

He said the government had already raised the issue with Xinhua News Agency and it had been referred to by the Chief Secretary, Anson Chan Fang On-sang, during her visit to London.

"And unfortunately, the authorities in Peking persist in believing that the honourable gentleman (Mr Cheng) represents some sort of threat to state security.

"I am not quite sure that I have ever regarded him in that alarming light and I am not sure that many other people around the world would be quite so worried about

the honourable gentleman. He seems like a perfectly amiable fellow to me," he said.

Coalition member, Lawrence Yum Sin-ling of the 123 Democratic Alliance, asked whether the government would discuss the matter with the Chinese side in the Joint Liaison Group.

"I was not sure under what heading we would deal with the confiscation of Chinese travel documents by the Chinese authorities. But we can certainly consider the matter before the next JLG in September," Mr Patten replied.

In Beijing, Foreign Ministry spokesman Cui Tiankai said China would not spend any more time on these people who just played a political show.

"A small number of people attempted to create troubles. They just wanted to put up a show," Mr Cui said, "This act has genuinely violated against the common aspiration of all Chinese people."

Democrat leader Martin Lee Chu-ming said if the JLG could not handle the issue, the matter should be brought before British Foreign Secretary Malcolm Rifkind and Chinese foreign Minister Qian Qichen.

Hong Kong: Beijing Blames Patten for 'Violating' Accords

OW0507082396 Hong Kong HONGKONG
STANDARD in English 5 Jul 96 p 4

[By Baby Sung in Beijing]

[FBIS Transcribed Text] CHINA says Governor Chris Patten cannot shirk responsibility for violating previous agreements between Britain and China with his political reform package in Hong Kong.

Mr Patten recently admitted that he had not personally read the diplomatic exchanges between the foreign ministers of Britain and China before introducing his electoral reforms in 1992.

Chinese foreign Ministry spokesman Cui Tiankai yesterday said such an argument would not help Mr Patten but just made him more deserving of criticism.

"This has just proved we are absolutely right in criticizing him of violating the Basic Law and the Sino-British Joint Declaration as well as a series of common understandings reached between China and Britain," Mr Cui said.

Among the seven letters between the then British Foreign secretary Douglas Hurd, and his Chinese counterpart, Qian Qichen, in January and February 1990, Mr Hurd said he agreed in principle with the arrangements

Mr Qian had proposed for last year's Legislative Council election.

This was said to have had been hidden from Mr Patten and Britain argued that the letters were not agreements.

Hong Kong: Official on Foreign Chambers of Commerce 'Confidence'

OW0407141196 Beijing ZHONGGUO XINWEN SHE
in English 1338 GMT 4 Jul 96

[FBIS Transcribed Text] Hong Kong, July 4 (CNS) — Hong Kong's foreign chambers of commerce have expressed their confidence in the territory after its reversion to mainland sovereignty in July 1997, said Xie Jianqun, the chief Hong Kong representative of the China Council for the Promotion of International Trade (CCPIT). Mr. Xie added that he expected more visits by these groups to the mainland by that time.

The Hong Kong branch of the CCPIT is mainly responsible for arranging for mainland visits by the territory's foreign chambers of commerce, particularly those from the United States, Britain, France, Japan, India and South Korea. The American and British chambers of commerce recently visited the mainland while another mainland trip by the Indian chamber of commerce is in the pipeline.

Mr. Xie pointed out that the heads of all these commercial organizations were optimistic about Hong Kong's future. They encouraged the business communities in their own countries to continue and even expand their investment in the territory. They were also convinced that Hong Kong would keep closer relations with the mainland because it would be part of China next year. As long as foreign countries want to tap into the promising China market, they have to first gain a footing on the territory. Singapore, for example, knows this well and is to expand its representative office in Hong Kong into a chamber of commerce in mid-July.

The central task of the Hong Kong branch of the CCPIT is to keep close contacts with non-governmental commercial bodies. It offers consultancy services on China trade while at the same time conducts research on Hong Kong economy. Boasting 43 branches in various provinces and municipalities of China at present, the CCPIT will continue to run its Hong Kong branch in the Special Administrative Region after the handover. According to the Basic Law the CCPIT branch will maintain its role to serve Hong Kong's commercial groups.

Hong Kong: Editorial: Still 'High Degree of Uncertainty' About 1997*HK0107085796 Hong Kong SOUTH CHINA MORNING POST in English 1 Jul 96 p 22***[Editorial: "A Time for Care, Courage, and Contacts"]**

[PTS Transcribed Text for FBIS] Hong Kong's return to China was always going to be a unique event in the history of decolonisation. Never before has such a prosperous, developed territory changed sovereignty. Never before has such an important colony moved out of the control of a faraway capital to return to its motherland, rather than setting off on a path of independence. And never before has a decolonisation programme been set out so far in advance.

Like all such occasions, today's pre-anniversary is, in a sense, an artificial date. Nothing changes on July 1, 1996, but the calendar means Hong Kong's mind is now powerfully concentrated on what will happen in 12 months time. Though some may think that the media—and some politicians—are whipping up unwanted interest in a long-programmed event, the attention is not only natural, but very necessary.

For, despite all the years since the Joint Declaration and the Basic Law, there is still a high degree of uncertainty about what will constitute Hong Kong vintage July 1, 1997. There are a number of reasons for this, some normal, some abnormal. Some could have been foreseen back in the 1980s; others, like the controversy over the Governor's political changes and China's reaction to them, have emerged more recently.

So Much Still Up In the Air

What is unsettling is that so much is still up in the air. The first necessity for all concerned is to provide the territory and its people with a much clearer roadmap to 1997: only then can they react properly to what awaits them.

It may be, as China's senior official here says today, that the only change will be that of sovereignty. But many things still need to be determined. Some are concrete—above all, the identity of the Chief Executive. Others are more elusive—for instance, what does subversion mean? Others may be a matter of negotiation—for instance, how many present Legco [Legislative Council] members will sit in the provisional legislature?

Above all, as one now sees more plainly, there is the overarching question of what happens if Beijing regards the second system as coming into conflict with the one country, and if Hong Kong takes a different view.

One response, as enunciated by the Governor is that nothing must change: the only course is to refuse any alteration to the way of life here. The contrary view that this is unrealistic does not signify a meek acceptance of Beijing's directives: rather, it recognises a reality to which Britain implicitly signed up a dozen years ago.

Mr Patten may not have read the diplomatic exchanges between Britain and China before he changed the political system. But it is hard to believe that negotiators did not take into account the implications of "one country" as well as of "two systems" in 1984.

Defending HK's Interests

Over the coming months, Hong Kong must defend its interests as it sees best; those from outside who think it dishonourable to do anything but stand on the imaginary battlements and dare China to do its worst show irresponsibility towards the territory and its people. Pragmatism and appeasement are not the same thing, as many people caught in difficult historic situations without a safe refuge across the seas can attest.

Some will, quite properly, act from conviction and take a strong stance against what they see as derelictions of the Basic Law or Joint Declaration. If others choose to act differently, nobody should rush to condemn them, particularly since much of the political tone from the top is hardly calculated to inspire optimism. It is good that Britain recognises its moral responsibility after 1997. US pledges of support are welcome, too. But, in the real world, moral backing and expressions of solidarity have their limits. Nobody imagines that a newly-elected Prime Minister Blair would seek to reassert a British presence to ensure respect for the Joint Declaration, or that a reelected President Clinton would send the carriers into Kowloon Bay.

In the long run, Hong Kong will be vitally influenced by the progress of political liberalisation in China. In the short term, the probability is that politics here will be kept on a short leash by the post-1997 authorities. Even though Hong Kong may revert to the old colonial situation of having freedoms without politics, it is encouraging that an increasing number of independent-minded Legco members are seeking ways of surviving in an active role. The press, for its part, is intent on doing everything to preserve its freedom, and can best do so with as little guidance as possible from politicians.

Overall, there is great need for dialogue. One supposes all manner of discreet or deniable conversations between individuals and intermediaries in Hong Kong and China. But the stand-off between China and Mr Patten has ruled out official contacts which should be par for the course. The present black-and-white manichean divisions do Hong Kong no good.

It is in the interests of all for there to be as many exchanges as possible between Chinese officials and representative figures from the territory. This includes those with whom Beijing disagrees—indeed it would be particularly useful and heartening if Chinese officials would meet their critics, as we said during Lu Ping's last visit. The benefits of sitting down and talking cannot be overestimated.

Politics aside, the main elements of Hong Kong's success must be preserved. Among these are the free economy with free movement of capital, virtually free trade, mostly free movement of people, unfettered access to information, low taxes and small government; a professional and generally honest civil service; the professionally exercised and not overbearing rule of law; and freedom from arbitrary power.

Preserving Two Systems

Nothing on that list need be any more incompatible with Chinese sovereignty under the two systems concept than it was under British rule. Indeed, China's undertaking to preserve Hong Kong's way of life provides a formal pledge that the elements which made the territory's way of life so successful will continue after 1997.

The fact that the territory is in the throes of a decolonisation complicates matters, as do the multiple layers of politics and the whole question of the survival of the democratic model installed at last September's elections.

But it would be presumptuous to assume that a city in the heart of Asia with a 97 per cent Chinese population which thrived as a free but only semi-democratic society under colonial administration is bound to be strangled under Chinese rule, and cannot work out a political as well as a business future for itself. One of Hong Kong's great strengths has been its adaptability, flexibility and capacity to handle change. In a year, it faces the greatest shift of its history.

The territory must be confident of handling the process—but, to achieve that, it has to be given the chance in the coming 12 months to know where it stands, to chart its own path, to talk to the future sovereign, and to determine for itself how great the coming change should be.

Hong Kong: Survey Finds Young People Confident About Future

HK0107073096 Hong Kong HONGKONG
STANDARD in English 1 Jul 96 p 3

[By Lucia Palpal-latoc]

[PTS Transcribed Text for FBIS] Young people are confident about the future of Hong Kong despite the deterioration of the pre-handover political situation.

A survey, Young People and the Transfer of Sovereignty, also found that most of the respondents had no plans to leave the territory and were eager to learn Putonghua.

The Hong Kong Federation of Youth Groups released the results of its poll amid growing fears and uncertainty over the political system, rule of law and protection of human rights after the handover.

A total of 562 people between 15 to 29 years old were interviewed over the phone from 11 to 14 June and on 18 June.

The federation conducted the poll to take the pulse of the younger generation as Hong Kong prepares for the change of sovereignty on 1 July next year.

Seventy-four respondents or 13.2 per cent said they were very confident in the future of Hong Kong and another 374 or 66.5 per cent said they were quite confident.

Only 10 respondents or 1.8 per cent said they were not at all confident while 91 or 16.2 per cent were not very confident.

Some 123 respondents or 21.9 per cent believed that the political situation would improve and 113 or 20.1 per cent did not foresee any change.

The respondents' confidence was reflected in their willingness to learn Putonghua, the official language of China, and in their decision to stay in Hong Kong over the next three years.

Some 280 respondents or 49.8 per cent said they wanted to learn Putonghua to prepare themselves for the change in sovereignty.

And 210 people or 37.5 per cent said they wanted to earn money as part of their preparation.

Only 176 or 31.3 per cent said they understood the Basic Law.

Almost 500 or 88.8 per cent of the respondents were not planning to emigrate in the coming three years.

Only 42 or 7.5 per cent were planning to migrate and 21 or 3.7 per cent were undecided.

Executive director of the federation and Executive Councillor Rosanna Wong Yick-ming lauded the young people's optimism.

"Only when young people are willing to make a greater commitment to Hong Kong and have a better understanding of China will the implementation of 'one country, two systems' and 'Hong Kong people ruling Hong Kong' be successful," she said.

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